



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

Earnings Presentation [IFRS]

Second Quarter of the year ending March 31, 2016
(April to September 2015)

The opinions and projections, etc. contained herein represent the judgment of the Company at the time this document was prepared. We provide no guarantees regarding the accuracy of the information. Please keep in mind that actual performance and results may vary significantly due to fluctuations in various factors.

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Key Points

Posted increased sales and profits for 1H of the year ending March 31, 2016
Consolidated sales revenue **up 53.5%**
EBITDA **up 70.9%** and net profit **up 73.1%** year on year, respectively

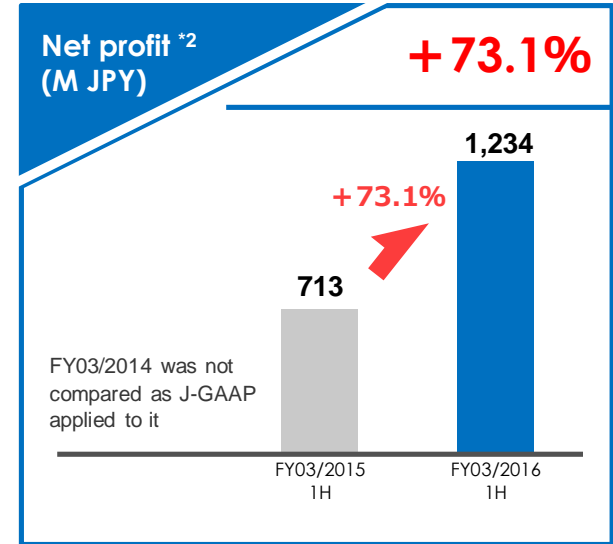
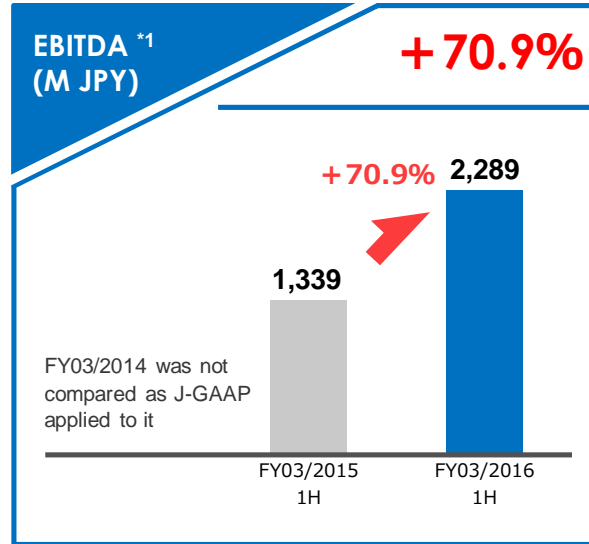
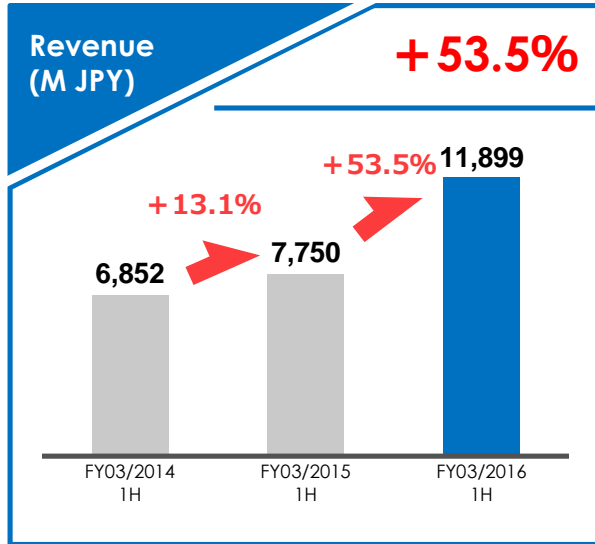
Rolled out new service offerings one after another as those aimed at turning
NEXT into an **absolute top player** in Japan
Share expansion by increasing the points of contact with the user

includes the revenue of **Lifull Marketing Partners** from June 2015
(Company name changed from **AXELION**, hereafter called **Lifull MP**)
Integration of the sales divisions in the **New Condominiums**

Completed its financing of about 40 billion yen through **a third-party allotment of shares to Rakuten Inc.** to improve **the financial standing** and **to enhance a collaborative relationship**

Highlights of Financial Results for 2Q of the Year Ending March 31, 2016

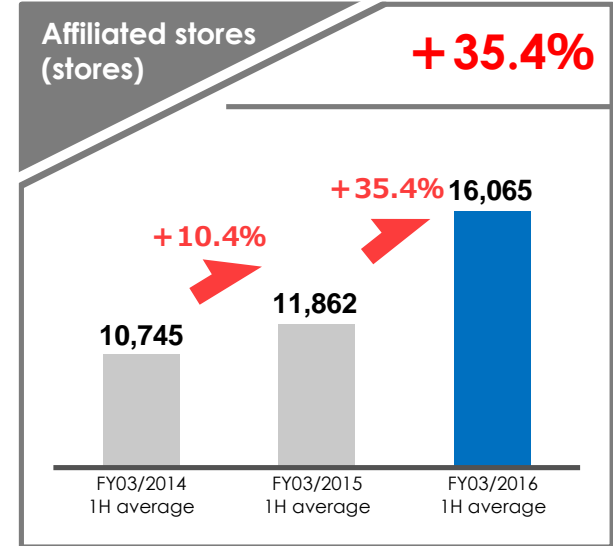
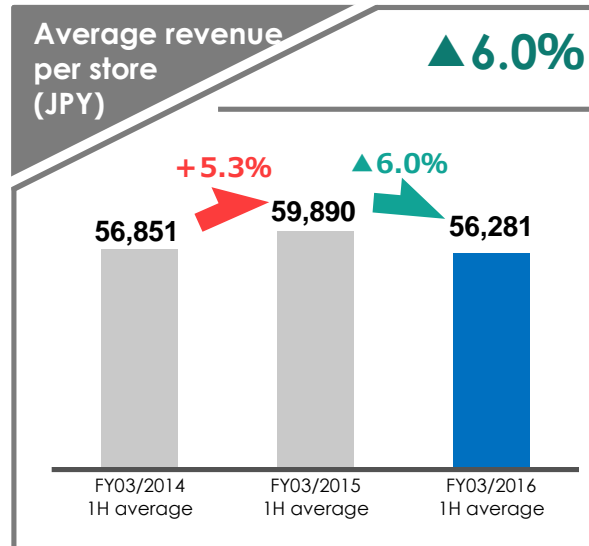
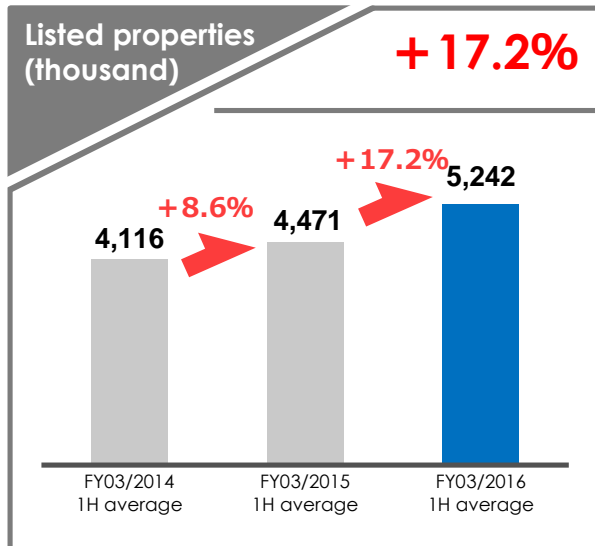
◆ Earnings Trends (Consolidated)



*1 profit before depreciation

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

◆ Rental & Real Estate Trade : Reference data



Simplified Income Statement

Financial Information for 2Q of FY03/2016

POINT Net sales up 53.5%, EBITDA up 70.9%, and quarterly net profit up 73.1% year-on-year for significant earnings growth

Unit : M.JPY	[Cumulative] FY2015/03 (Apr-Sep)	[Cumulative] FY2016/03 (Apr-Sep)	Change	Rate of Change		[Quarter] FY2015/03 (Jul-Sep)	[Quarter] FY2016/03 (Jul-Sep)	Rate of Change
Revenue	7,750	11,899	+4,149	+53.5%	*1	3,897	6,441	+65.3%
Cost of sales	234	878	+643	+274.0%	*2	126	737	+484.2%
SG&A (excluding depreciation and amortization)	6,169	8,676	+2,506	+40.6%		3,237	4,640	+43.3%
Personnel expenses	1,999	2,845	+845	+42.3%	*3	998	1,479	+48.1%
Advertising expenses	2,442	3,526	+1,084	+44.4%	*4	1,328	2,002	+50.8%
Operating expenses	296	454	+157	+53.0%	*5	170	245	+44.1%
Other costs	1,430	1,849	+419	+29.3%		739	912	+23.3%
Other revenues and expenses	▲ 5	▲ 54	▲49	—		▲ 3	▲ 41	—
EBITDA	1,339	2,289	+949	+70.9%		530	1,022	+92.6%
Net profit *	713	1,234	+521	+73.1%		282	552	+95.6%
EBITDA margin	17.3%	19.2%	+2.0p	—		13.6%	15.9%	+2.3p
Depreciation	176	428	+252	+142.9%	*6	88	214	+142.0%

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

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

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

*3 Increase of 150 employees due to the company's acquisition of Trovit and Lifull MP

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

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

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

Sales Breakdown

Financial Information for 2Q of FY03/2016

POINT

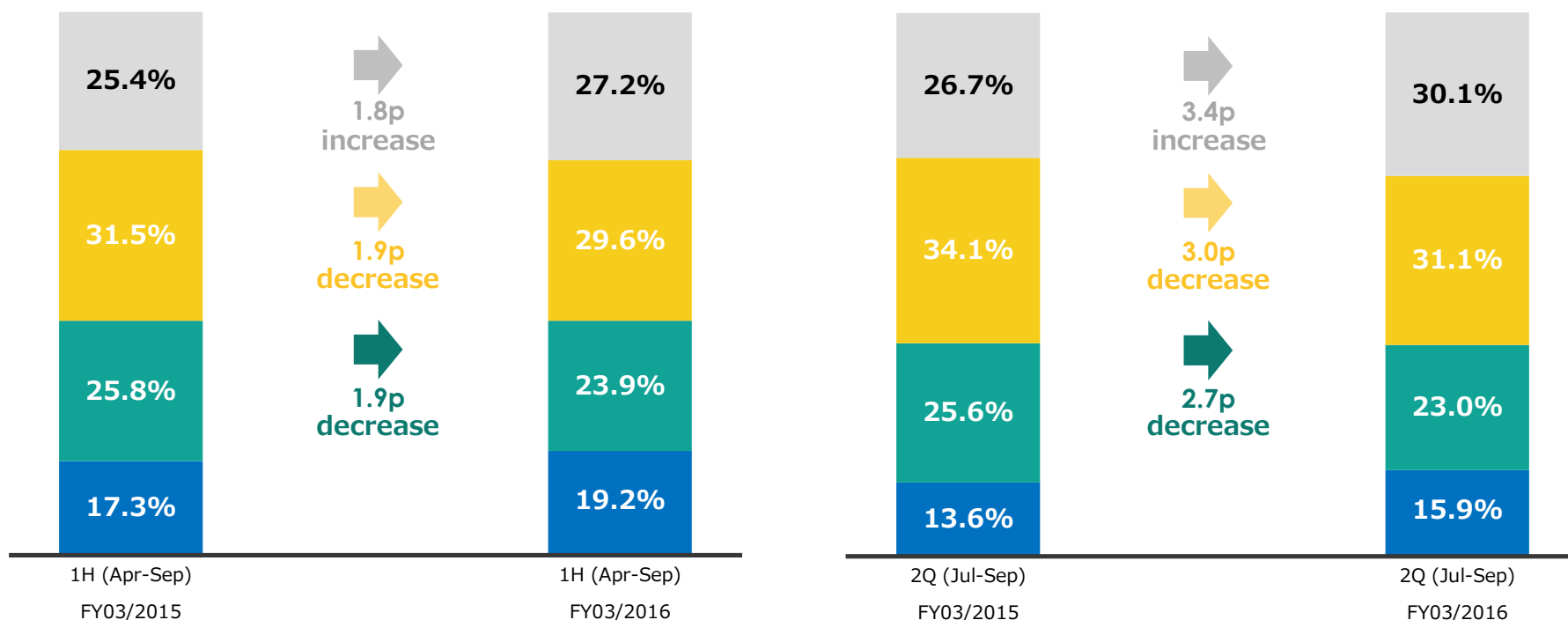
Increase in costs and other SG&A due to the consolidation of Lifull MP within the expected range

Cumulative EBITDA to sales ratio for the 1H growing 1.9 points to 19.2%

Cumulative 1H (April - September)

Quarter (July - September)

■ Sales cost and other SG&A ■ Advertising expenses ■ Personal expenses ■ EBITDA (Operating profits before depreciation)



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

【Advertising expenses】 : NEXT continued with its advertising programs focusing on strategic branding promotions aimed at achieving rapid gains in user share. The advertising expenses-to-sales ratio declined by 1.9 points, while the company aims to attain an EBITDA margin of 28%.

【Personnel expenses】 : The average number of consolidated employees for the 1H (Apr to Sep) rose to 861, up from 572 a year ago. Due to higher revenues and increased productivity, the personnel expenses-to-sales ratio improved for the quarter under review.

POINT In addition to the growth in existing businesses, including the main business of Domestic Real Estate Information Services, due to the growth in investment effects including M&As, double-digit sales growth posted for all segments

Unit : M.JPY	[Cumulative] FY2015/03 (Apr-Sep)	[Cumulative] FY2016/03 (Apr-Sep)	Change	Rate of Change		[Quarter] FY2015/03 (Jul-Sep)	[Quarter] FY2016/03 (Jul-Sep)	Rate of Change
Revenue	7,750	11,899	+4,149	+53.5%		3,897	6,441	+65.3%
Domestic Real Estate Information Services	7,107	8,478	+1,370	+19.3%		3,583	4,311	+20.3%
Rental & Real Estate	4,263	5,424	+1,161	+27.2%	*1	2,161	2,776	+28.5%
New Houses & Condominiums	2,171	2,372	+200	+9.2%	*2	1,087	1,165	+7.1%
Custom-Built Homes & Renovations	455	373	▲81	▲17.9%	*3	224	204	▲9.0%
Others	216	307	+90	+41.5%	*4	109	165	+50.9%
Domestic services for Realtors	429	1,291	+862	+200.7%	*5	223	1,049	+361.1%
Overseas	21	1,845	+1,824	+8,673.4%	*6	6	940	+13,365.4%
Others	191	283	+92	+48.0%		84	139	+65.3%

*1 NEXT's SEO effect continued to be strong, with increased numbers of site visitors and property inquiries. The number of affiliated stores grew by 2,333 during the 1H(Apr to Sep) to 16,777, as of September 30, 2015.

*2 Regarding the real estate market, the number of new condominiums sold during the 1H(Apr to Sep) declined 5.1% year-on-year, the number of new condominiums listed online decreased 1.4% year-on-year, and the number of new houses listed online declined 3.0%. However, an earnings increase of 9.2% was achieved, thanks to the company's sales efforts.

*3 Sales of custom-built homes and renovations are on track to recovery, and the performance in September achieved 2.4% growth year-on-year. A renew of the website for custom-built homes is planned in October.

*4 Sales for the HOME's Nursing Care Service grew 41.5% year-on-year due to increases in the number of online postings.

*5 Consolidation of Lifull MP began in June 2015.

*6 A significant earnings growth resulted from the consolidation of Trovit.

POINT

Significant growth in domestic and overseas businesses

Unit : M.JPY	[Cumulative] FY2015/03 (Apr-Sep)	[Cumulative] FY2016/03 (Apr-Sep)	Change	Rate of Change	[Quarter] FY2015/03 (Jul-Sep)	[Quarter] FY2016/03 (Jul-Sep)	Rate of Change
Domestic Real Estate Information Services	1,227	1,458	+230	+18.8%	486	597	+22.9%
Domestic services for Realtors	21	26	+5	+24.7%	14	23	+56.2%
Overseas	▲60	434	+495	—	▲37	220	—
Others	▲24	▲32	▲8	—	▲20	▲12	—
Inter-segment transactions	5	29	+23	+464.5%	2	20	+706.5%
Consolidated Operating Profits	1,168	1,915	+746	+63.9%	445	849	+90.6%

- Rates of change not listed if figures were negative in the previous or current term.
- Overseas profit & loss includes the costs incurred at NEXT's Overseas Business Division in addition to the costs at Trovit (Spain), Lifull Thailand, and Lifull Indonesia.

Status of Statements of Financial Position and Goodwill

Financial Information for 2Q of FY03/2016

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

Unit : M.JPY	Previous year-end Mar. 31, 2015	[Current quarter-end] Sep. 30, 2015	Change	Rate of Change
Assets	22,592	24,365	+1,773	+7.9% *7
Current assets	8,758	9,507	+748	+8.5%
Fixed assets	13,833	14,858	+1,025	+7.4%
Liabilities	11,738	8,054	▲3,683	▲31.4%
Current liabilities	11,169	5,386	▲5,782	▲51.8%
Long-term liabilities	569	2,668	+2,098	+368.4%
Net assets	10,853	16,310	+5,457	+50.3%
Net assets per share	95.86	135.57	+39.71	+41.4%

Major Factors Resulting in Changes		
Increase in cash and deposits	+1,491	Increase in current assets *1
Increase in accounts receivable-trade	+238	Increase in current assets *1
Decrease in other financial assets	▲971	Decrease in current assets
Increase in goodwill	+575	Increase in illiquid assets *2, 3
Increase in software	+735	Increase in illiquid assets *4
Decrease in the software suspense account	▲642	Decrease in illiquid assets *4
Increase in accounts payable-trade	+234	Increase in current liabilities *1
Decrease in short-term borrowing	▲6,009	Decrease in current liabilities *5
Decrease in accounts payable-other	▲232	Decrease in current liabilities
Increase in accrued income taxes	+184	Increase in current liabilities
Increase in long-term borrowing	+1,981	Increase in illiquid liabilities *5
Increase in capital stock	+1,999	Increase in net assets *6
Increase in capital surplus	+1,987	Increase in net assets *6
Increase in retained earnings	+909	Increase in net assets
Increase in foreign currency translation adjustment	+374	Increase in net assets *3

* With June 1, 2015 as the effective date, NEXT conducted a two-for-one stock split for each share of its common stock. Net assets per share for the previous term were calculated by dividing net assets by the total number of shares outstanding after the stock split.

*1 Increased due to the consolidation of Lifull MP

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

*3 Foreign exchange difference for goodwill, etc.

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

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

*7 Goodwill of 86 million yen for Little, 9.402 billion yen for Trovit, and 251 million yen for Lifull MP. PPA of Lifull MP 292 million yen.

POINT Cash and cash equivalents for the first half grew by 1.4 billion yen to 5.7 billion yen.

Unit : M.JPY	FY03/2015 (Apr-Sep)	FY03/2016 (Apr-Sep)	Change	Main items	FY03/2015 (Apr-Sep)	FY03/2016 (Apr-Sep)
Operating cash flow	766	1,380	+613	Income before income taxes	1,165	1,880
				Depreciation	176	429
				Increase/decrease in accounts receivable - trade and other short-term claims	151	143
				Increase/decrease in accounts payable - trade and other short-term claims	▲22	▲484
Investing cash flow	▲1,418	460	+1,879	Outlays for the provision of time deposits	▲1,000	▲27
				Income from time deposit withdrawals	—	1,000
				Outlays for the acquisition of property, plants, and equipment	—	1,000
				Outlays for the acquisition of intangible fixed assets	▲366	▲337
				Outlays for the acquisition of subsidiary equity	—	▲132
Financing cash flow	▲261	▲365	▲103	Income from borrowing	—	3,000
				Outlays for the repayment of short-term borrowing	—	▲7,000
				Income from stock issue	1	3,982
				Dividend payments	▲263	▲347
Change in cash and cash equivalents	▲914	1,491	+2,406			
Balance of cash of cash equivalents	7,528	5,759	▲1,768	Acquired all shares in Trovit for an amount equivalent to approx. 11.5 billion yen in November 2014; cash and cash equivalents of 5.7 billion yen as of September 30, 2015		

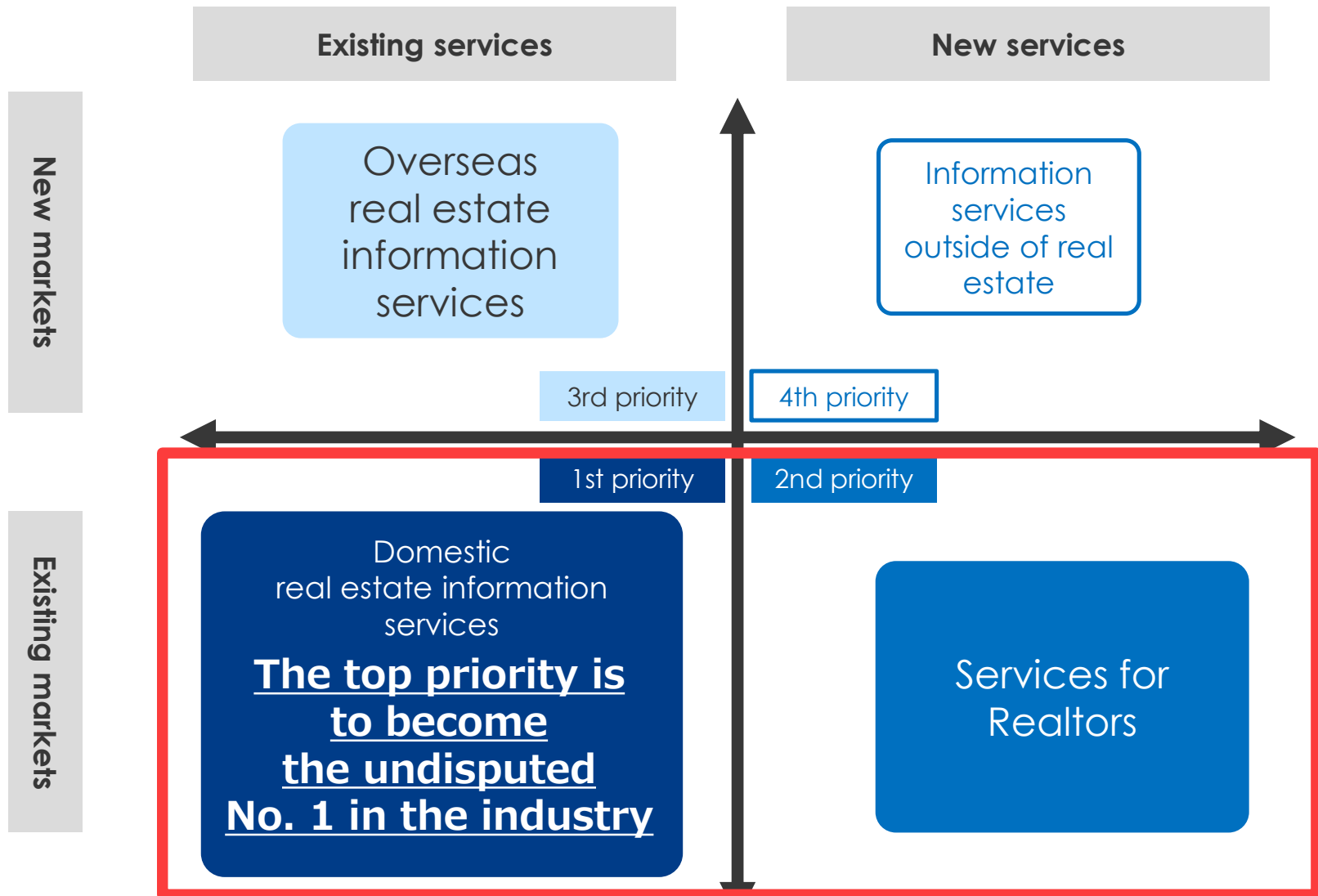
We aim to **change
the real estate industry**

Building a platform



Investment Outlook

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



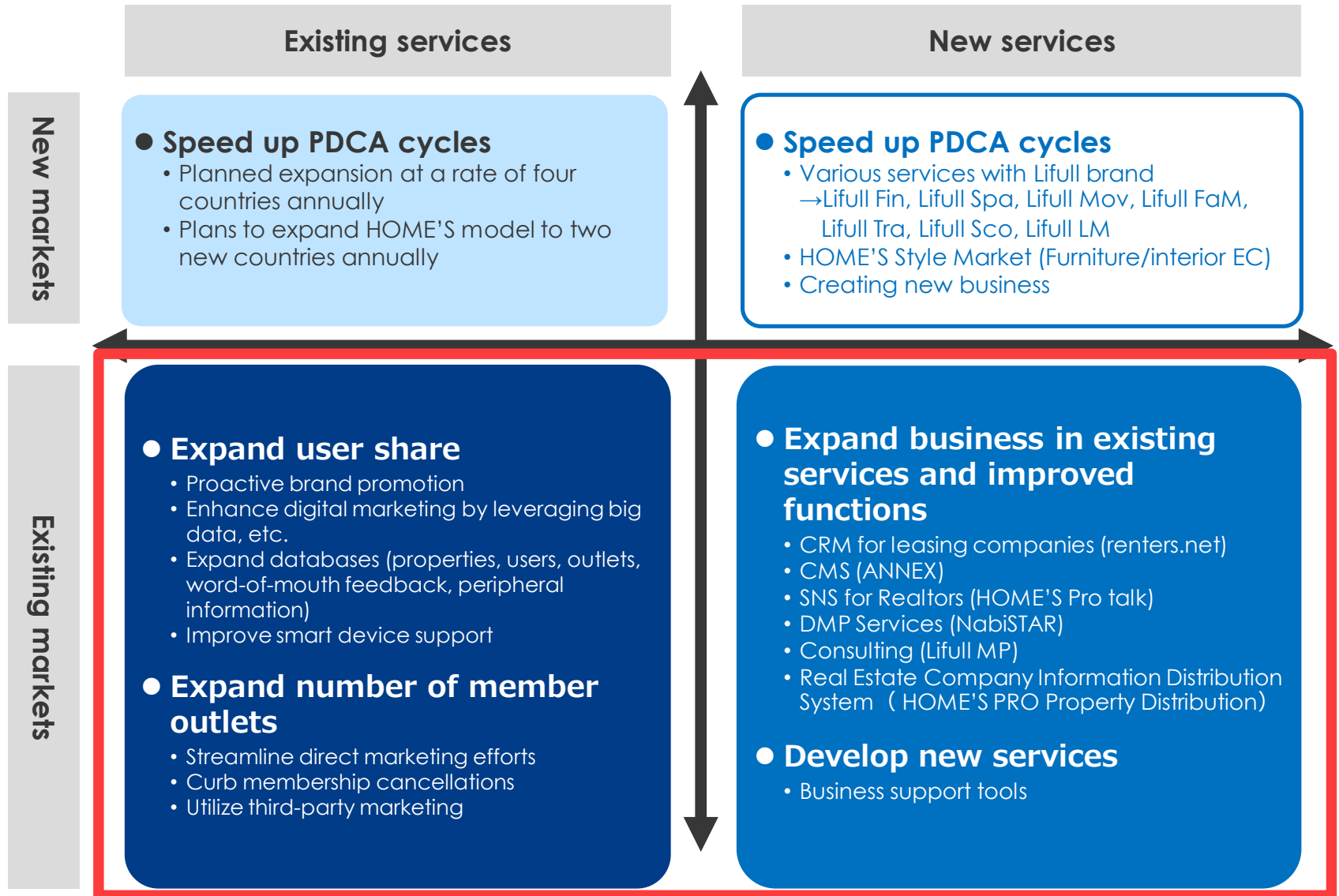
Box size $\hat{=}$ investment amount.

Investment Outlook



POINT

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

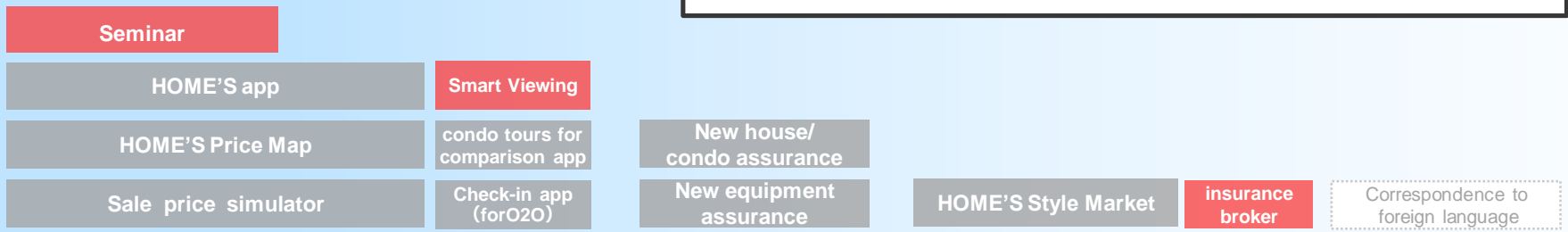


Basic Strategy for the Real Estate Sector

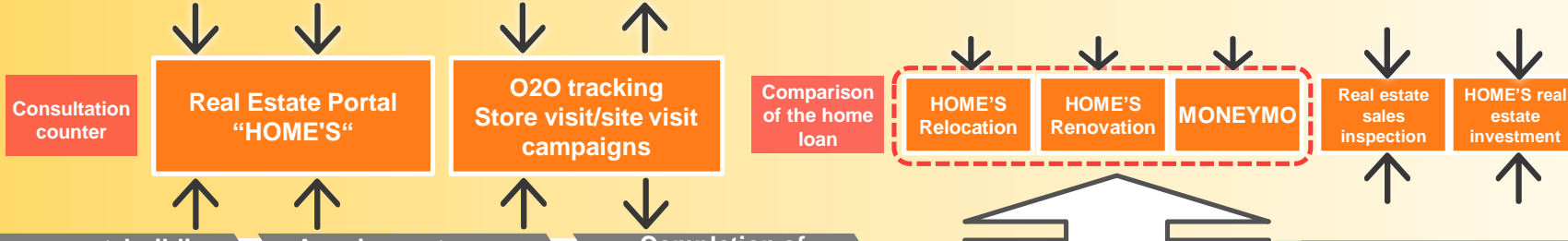
POINT Provide a wide range of solutions for both users and companies

Being provided
 Under development/in planning
 Not undertaken

Services

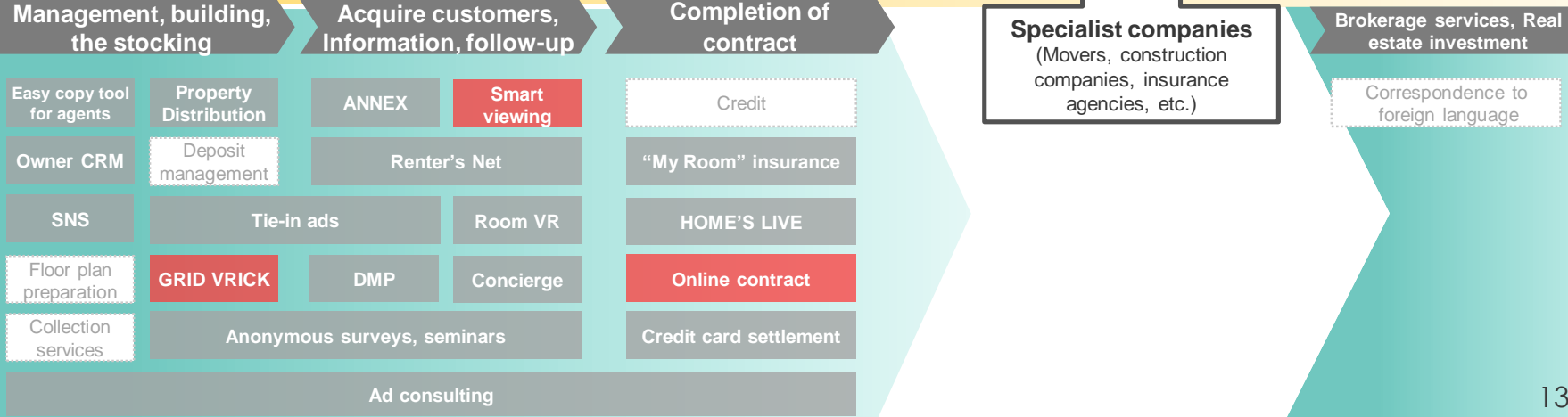


Matching



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

Administrative support



A man in a grey suit, white shirt, and dark tie is talking on a black mobile phone held to his left ear. He is also holding a silver tablet computer in his left hand, looking down at it with a slight smile. The background is a bright, out-of-focus office interior with white blinds.

**Making HOME'S
the one-stop source
for understanding
all relevant information**

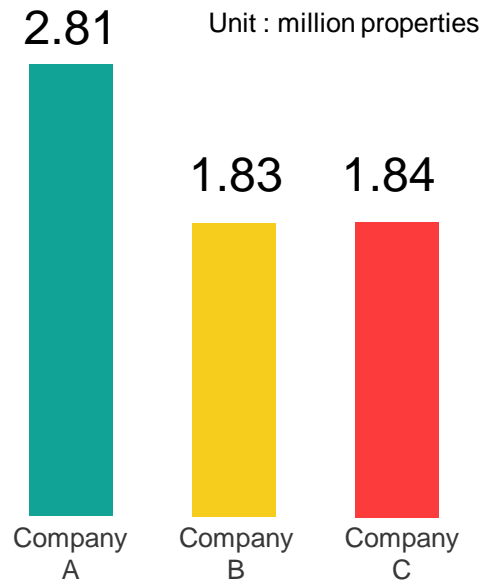
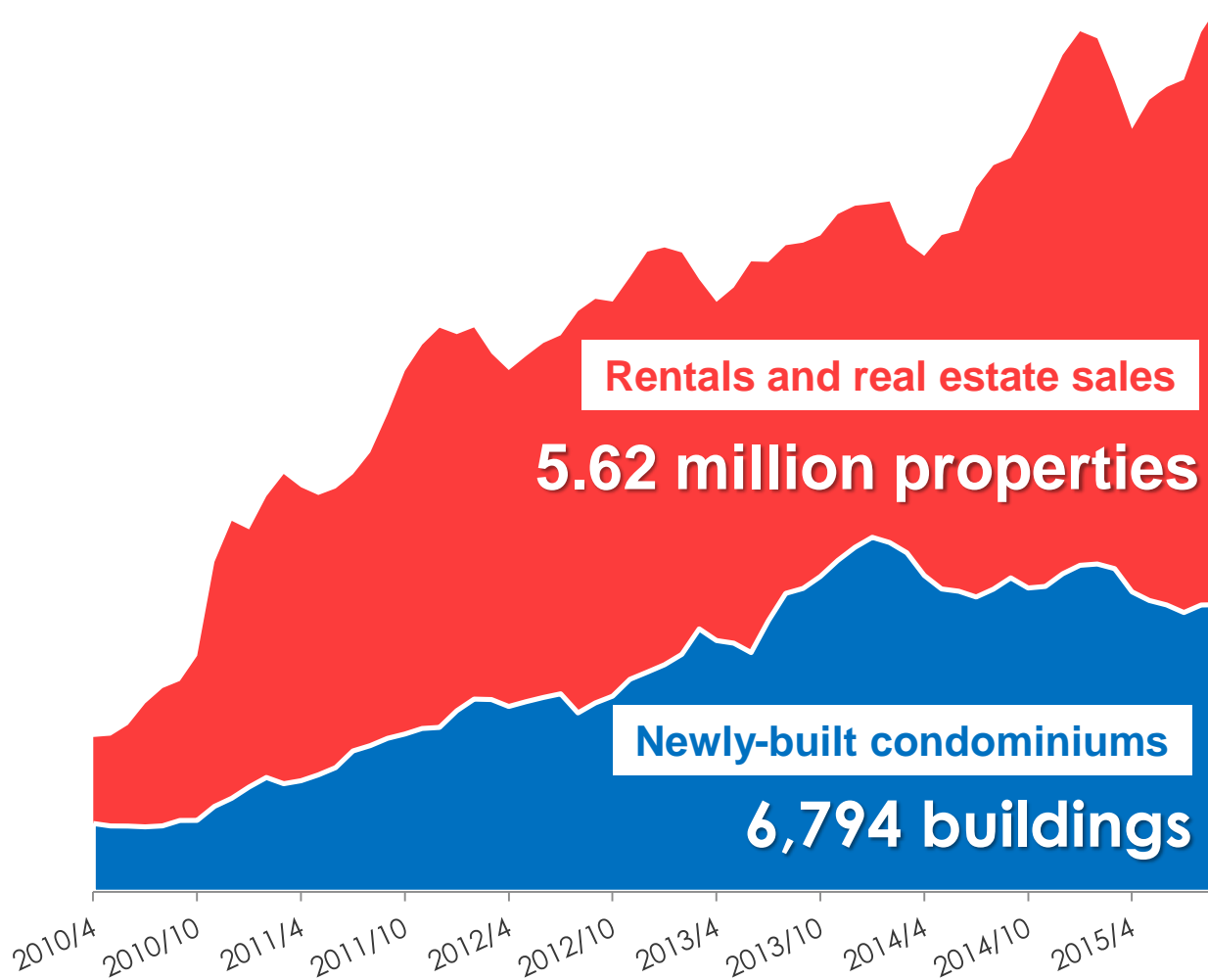
Trends in the Total Number of Properties Listed on HOME'S

POINT

Absolute top player with more than 5 million properties listed



Comparison with major websites (*1)



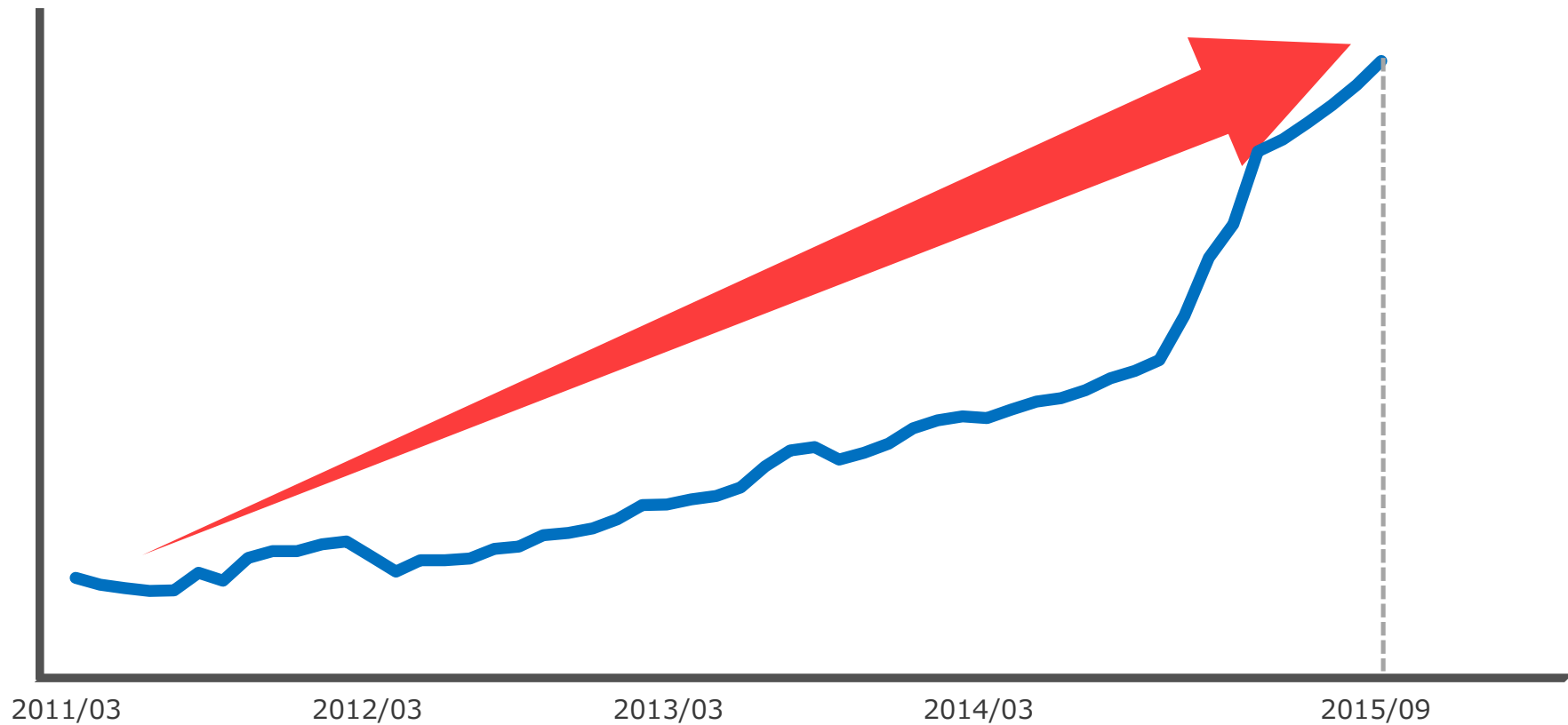
(*1) Total properties listed for rentals and real estate sales as of September 2015. NEXT data.

Trends at Affiliated Stores

Numbers of affiliated stores
increased dramatically

Record High
16,777 Stores

[Number of Affiliated Stores]



Release of HOME'S PriceMap



POINT Using the property data on HOME'S, Japan's No. 1 site in the number of properties listed, list the property reference prices.

Features of HOME'S PriceMap

	単身向け	DINKS向け	ファミリー向け
築浅	359.4万円 (3)	378.6万円 (40)	418.6万円 (71)
中間	329.0万円 (27)	334.9万円 (20)	-
築古	280.4万円 (44)	280.2万円 (3)	252.5万円 (2)

	単身向け	DINKS向け	ファミリー向け
築浅	359.4万円 (3)	378.6万円 (40)	418.6万円 (71)
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詳細な売却査定を申込む

Link to HOME'S sales appraisal

Increase the ability of "HOME'S" to attract customers

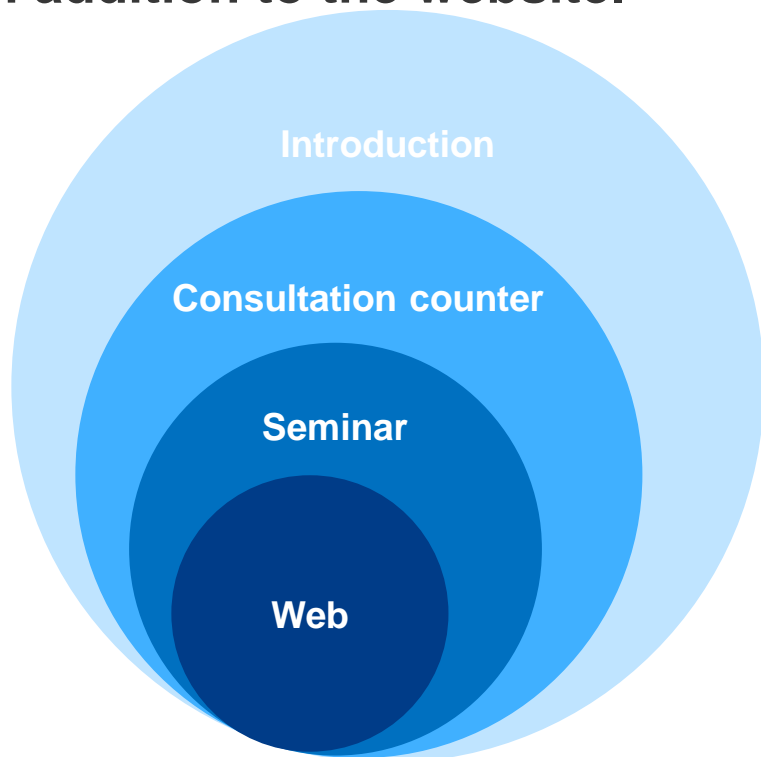
- Marketing effects
- Creating demand among potential/actual customer segments
- Inducing requests for HOME'S sales appraisals

Launch of the HOME'S My Home Counter FS



POINT Establish a counter for customers that are considering purchasing a custom-built home. Support house-building through seminars, individual consultations, and by introducing builders.

Increase contact with users by establishing consultation counters, in addition to the website.



Features of HOME'S My Home Counter



- Providing basic and expert knowledge about building a house, through seminars
- Offering individual consultation with experts
- FP providing individual support on financial planning
- Introducing and coordinating with manufacturers and builders according to customer needs

In addition to transmitting information online, support house-building by responding to the needs of individual users.

<http://www.next-group.jp/news/4705/>



Strengthened services for realtors

“HOME’S LIVE” Communication System



POINT Launching a Web communication system for shifting the explanation of important matters necessary when concluding a real estate contract online

Features of “HOME’S LIVE”



- (1) Compatible with a broad **range of devices**, including PCs, smartphones, and tablets
- (2) Prevents loss of records through **automatic recording**
- (3) Items displayed on screen
- (4) Allows **multiple people** to log in simultaneously
- (5) **Reminder emails** sent in accordance with schedule configured in advance

HOME'S PRO Property Distribution



POINT

Distribute and application of information speedily for free.*

New functions are gradually being added.

*Free of charge for HOME'S affiliated stores

Originator real estate firm

- Transmits property information broadly
- Transmits property information on an individual basis
- Identifies the number of site user viewings on a property-by-property basis

HOME'S DB

Brokerage firm (sales)

- Not subjected to any restriction on information viewing
- Allowed to inquire about detailed information on each property
- Enabled to serve the customer while showing the screen image
- Multiple search methods, such as map/building and company searches



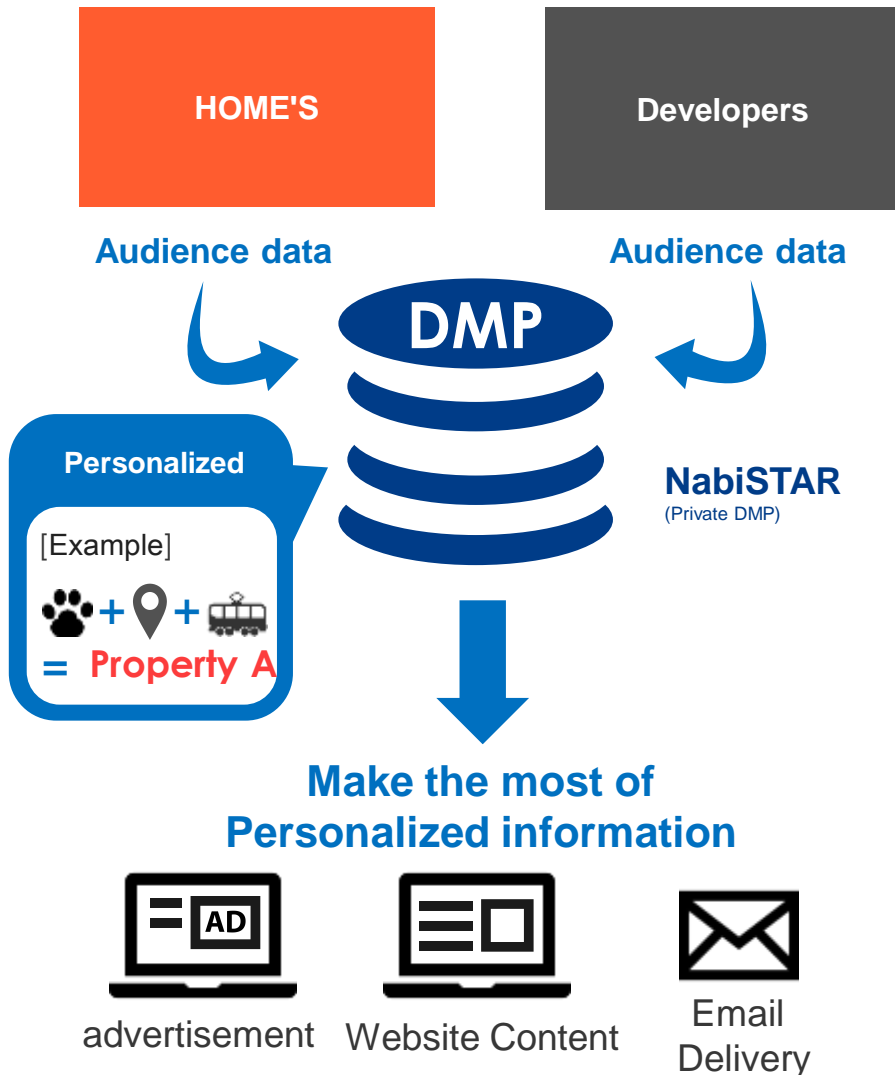
A dedicated application is also available

- Provides alert on new arrival and revision property information
- Provides alert on information arrival for a property meeting the preset conditions
- Allows message exchange between different realtors
- Property search function
- Intra-company SNS

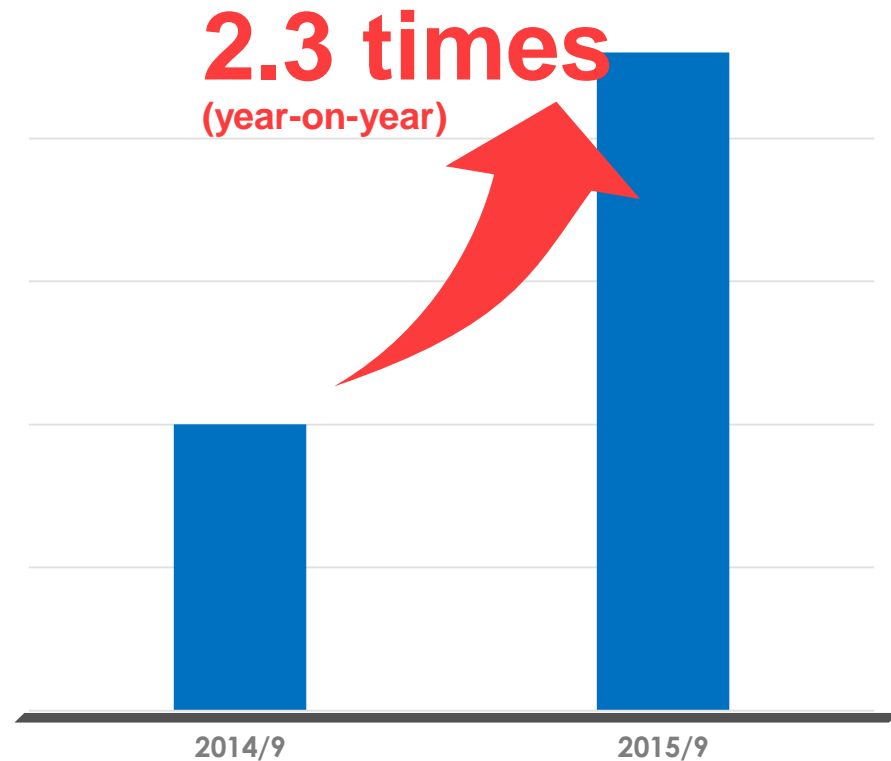




POINT The number of customers is up 76% from the end of last year.



[Trend in the number of customers]





HOME'S
×

Lifull Marketing Partners

**Integration of the sales divisions
in the New Houses and Condominiums**



HOME'S new condominium team



HOME's new condominium team will be temporarily transferred to Lifull MP to strengthen the sales divisions

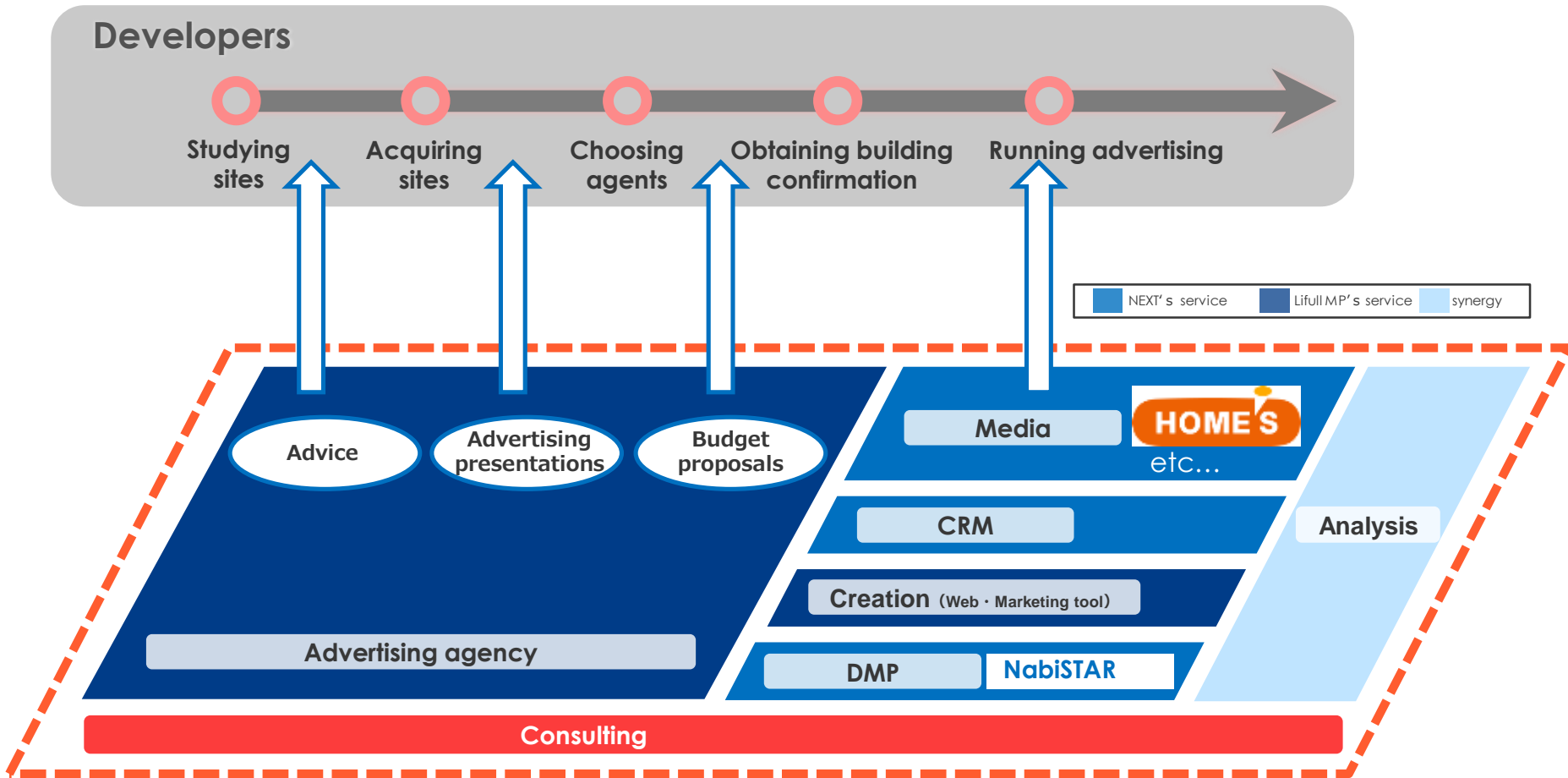
Company name changed from AXELION on October 1, 2015

<http://www.next-group.jp/corp/group/lifull-mp/>

Advertising Planning and Consulting



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



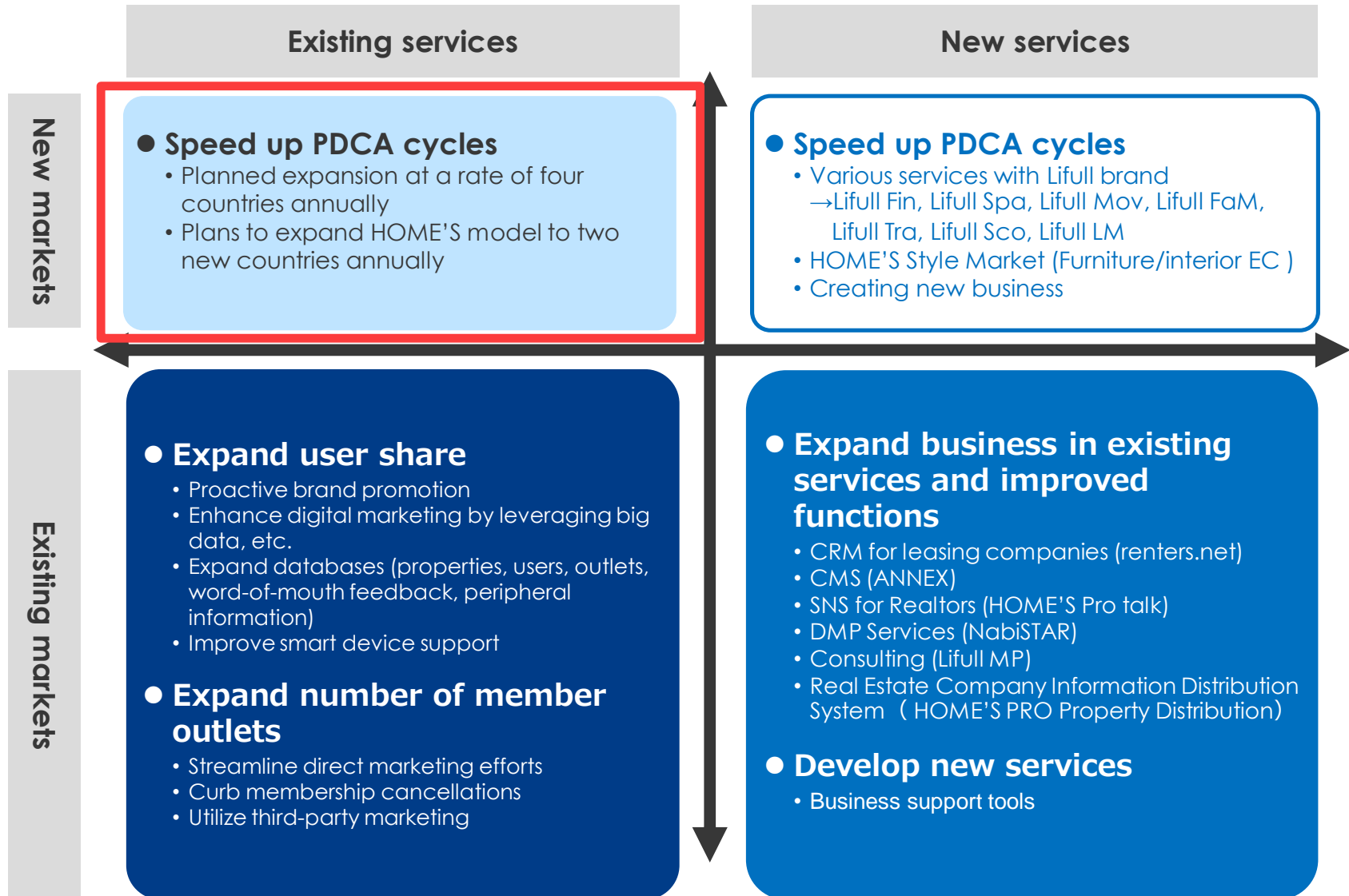
**Offer a one-stop service.
Provide comprehensive service catering to the needs of different client firms and properties.**

become the undisputed **No. 1** in the industry





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





Building a **global** platform

NEXT Group Service Area from 4 to 36 Countries



POINT NEXT has launched the **Lifull Australia Real Estate** website. Deployment countries HOME'S model has expanded to four 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)

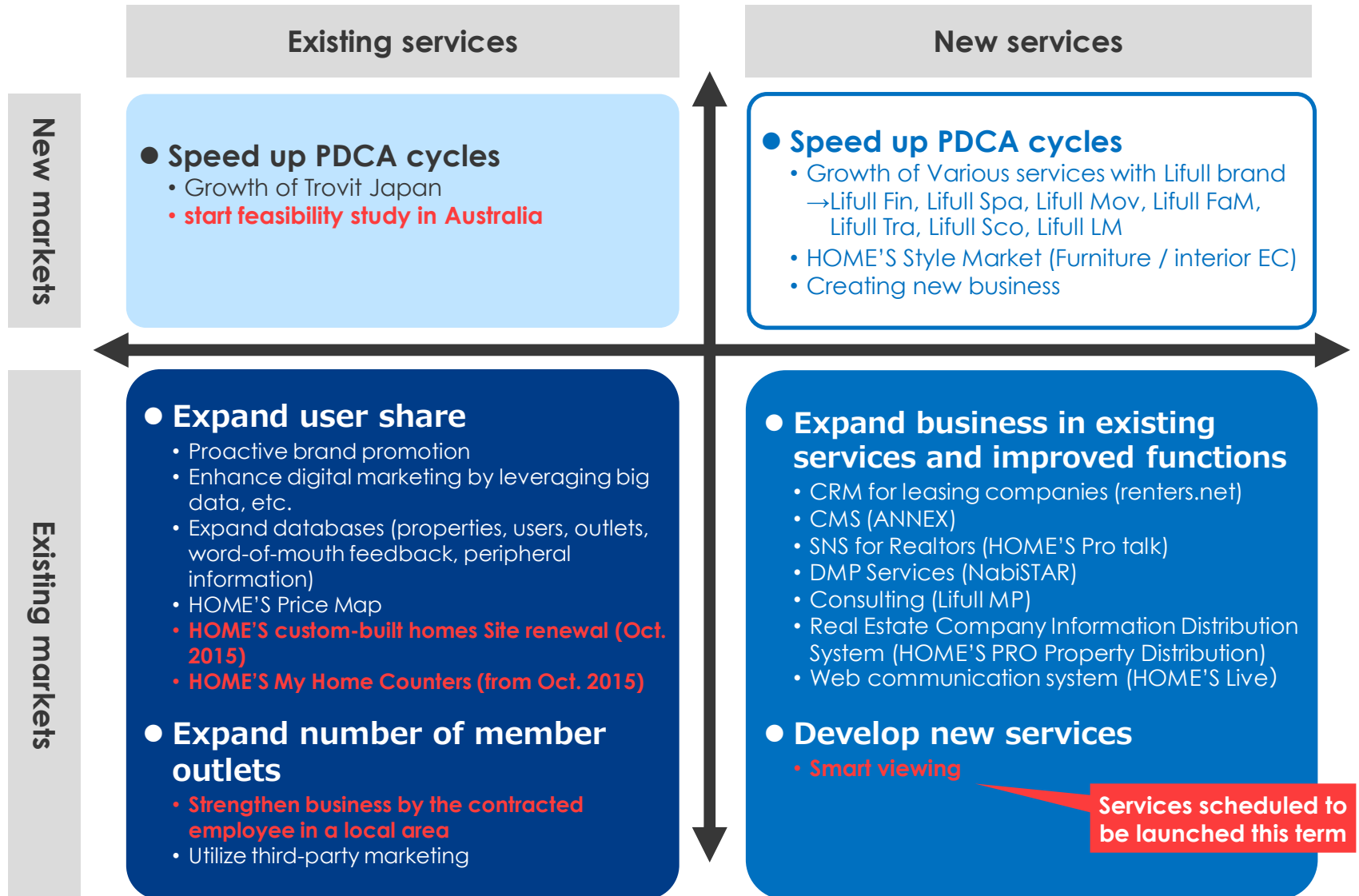
Australia
Indonesia
Japan
Thailand

Investment Outlook



POINT

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



Services scheduled to be launched this term

Run Advertisements Effectively

Measure the effects independently on a periodic basis

Measure the ROI each time

Effective advertisement allocation

(1) Achieve increased traffic
(2) generation ability

→ Web marketing, Partner portal site

(2) Increase the consumer recall rate.

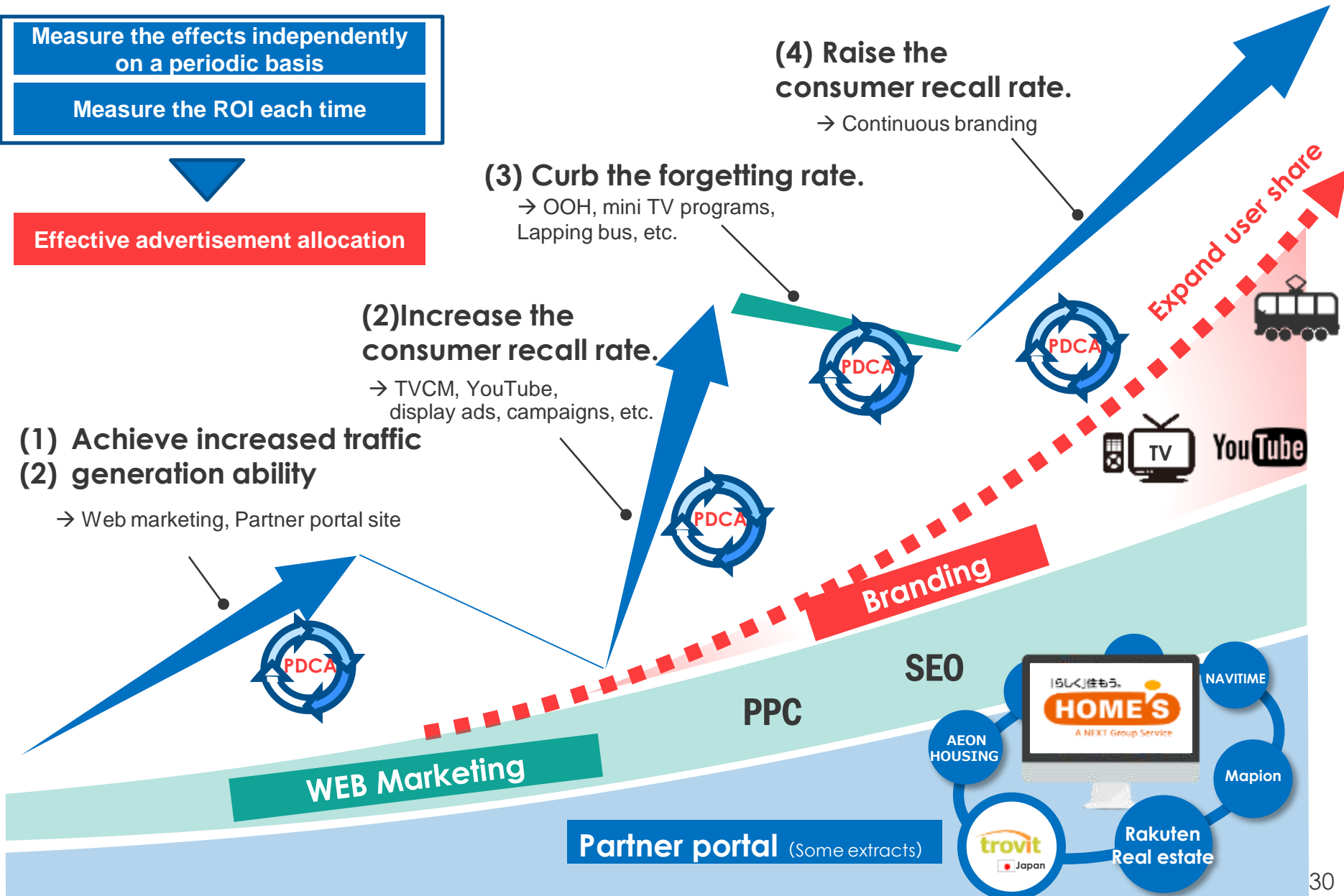
→ TVCM, YouTube, display ads, campaigns, etc.

(3) Curb the forgetting rate.

→ OOH, mini TV programs, Lapping bus, etc.

(4) Raise the consumer recall rate.

→ Continuous branding

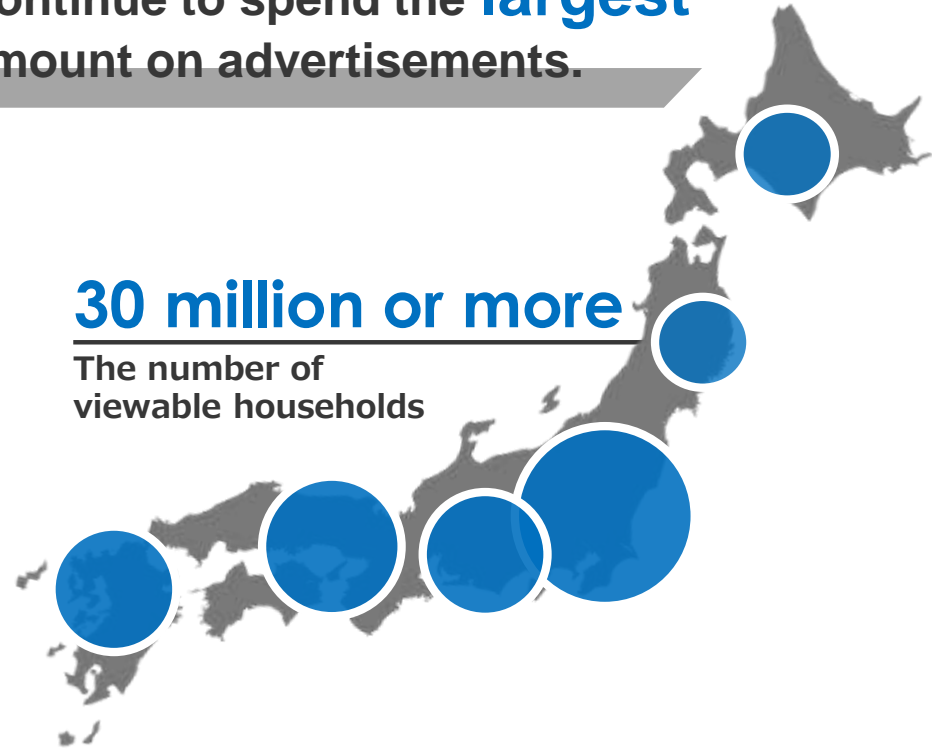


Advertising Programs for the 2H



Continue to spend the **largest** amount on advertisements.

TVCM **New** version planned



30 million or more

The number of viewable households

Expand in conjunction with TVCM, to increase the awareness

OOH



WEB



Flag



YouTube



Full-Year Performance Forecasts and Progress

Operating profit and loss

Unit : M.JPY	[Forecast] FY03/2016 (Apr - Dec)	[Actual]1H FY03/2016 (Apr - Sep)	Difference	Achievement rate
Revenue	26,142	11,899	▲14,242	45.5%
Cost of sales	2,236	878	▲1,357	39.3%
SG&A (excluding depreciation and amortization)	18,735	8,676	▲10,058	46.3%
Personnel expenses	6,170	2,845	▲3,324	46.1%
Advertising expenses	7,338	3,526	▲3,811	48.1%
Operating expenses	1,211	454	▲757	37.5%
Other costs	4,014	1,849	▲2,164	46.1%
Other revenues and expenses	▲24	▲54	▲30	—
EBITDA	5,146	2,289	▲2,856	44.5%
Net profit *	2,795	1,234	▲1,560	44.2%
EBITDA margin	19.7%	19.2%	▲0.4p	—

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

Sales by service category

Unit : M.JPY	[Forecast] FY03/2015 (Apr - Dec)	[Actual]1H FY03/2015 (Apr - Mar)	Difference	Achievement rate
Revenue	26,142	11,899	▲14,242	45.5%
Real Estate Information Services	18,758	8,509	▲10,248	45.4%
Rental & Real Estate	12,561	5,425	▲7,135	43.2%
New Houses & Condominiums	4,790	2,403	▲2,386	50.2%
Custom-Built Homes & Renovations	835	373	▲461	44.8%
Others	571	307	▲264	53.7%
Domestic services for Realtors	3,222	1,311	▲1,911	40.7%
Overseas	3,466	1,845	▲1,621	53.2%
Other Businesses	694	287	▲406	41.4%

Revenue:

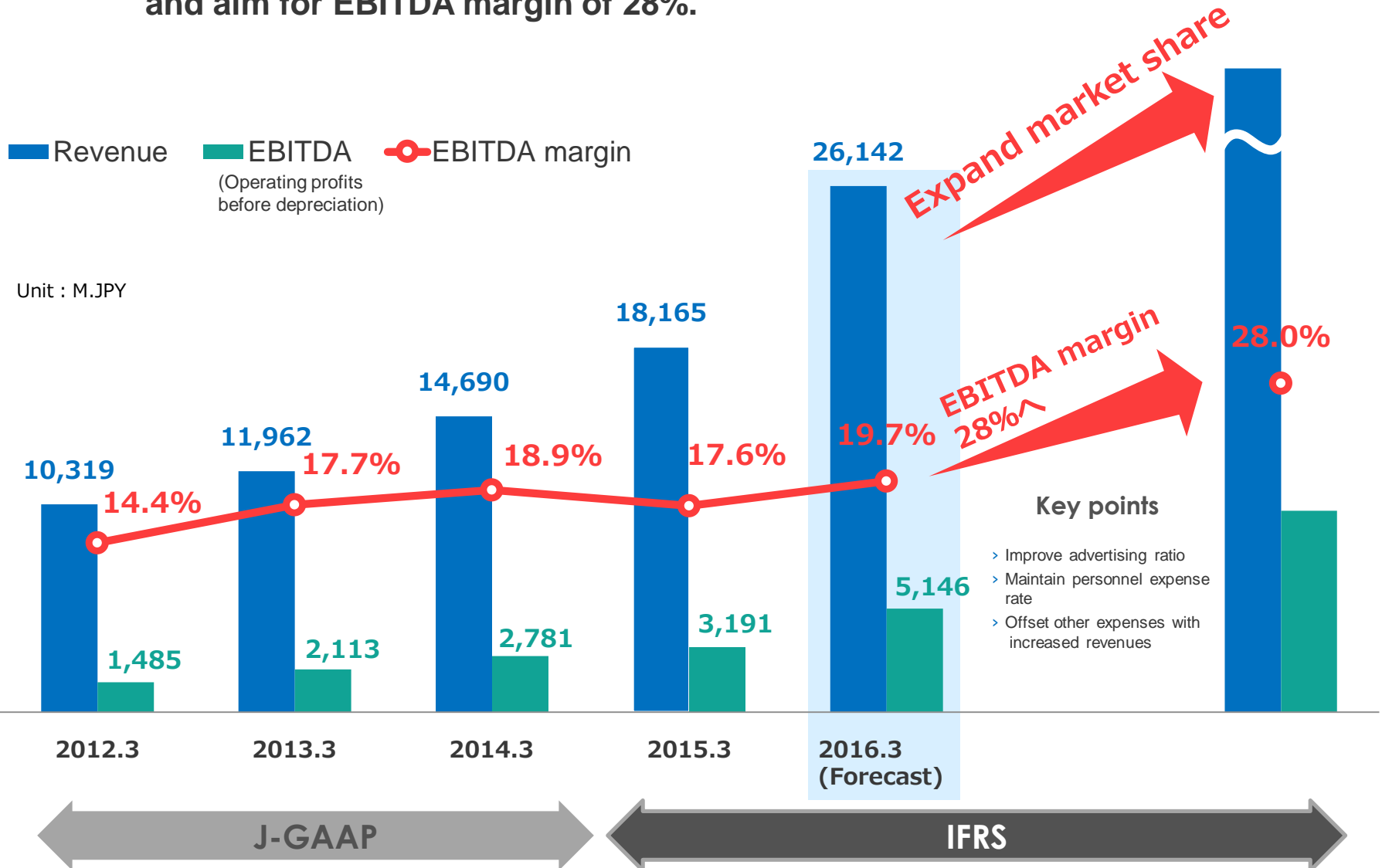
Performance for the first half exceeded the plan in all segments.
The consolidation of Lifull Marketing Partners (formerly AXELION) began in June.

Net Profit:

Same as net sales, the performance was generally in line with the plan.
In addition to the strong performance of overseas businesses including Trovit and other businesses, part of the expenses will be posted in the second half. However, there is no change to the full-year plan.

Medium- and Long-Term Growth Outlook

POINT Establish NEXT as No. 1 in market share for users of online relocation services and aim for EBITDA margin of 28%.





in Japan



An aerial photograph of Paris, France, taken during a dramatic sunset. The sun is low on the horizon to the left, casting a golden glow over the city and creating long shadows. The Eiffel Tower stands prominently in the center-right of the frame. In the lower-left foreground, a rocket is captured mid-launch, with a large plume of fire and smoke trailing behind it. The city's dense urban landscape, with its characteristic red-tiled roofs and narrow streets, is visible throughout. The sky is filled with scattered, dark clouds that catch the light from the setting sun.

and all over the world

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



Reference

Corporate Data

Company Name	NEXT Co., Ltd. (TSE 1st section: 2120)	
Representative	Takashi Inoue, President and CEO	
History	March, 1997	Established (Fiscal year ending March 31)
	October, 2006	Listed in Tokyo Stock Exchange, Mother's Section
	March, 2010	March 12th, 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	892 persons (including 124 temporary employees, 132 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 September 2015

President's Profile



Takashi Inoue,
President and CEO

	Career History
April, 1991	Joined Recruit COSMOS Co., Ltd. Responsible for condominium sales and circulated property brokering.
July, 1991	Temporarily dispatched to the Recruit General Personnel Business Department. This move was later made permanent. Primarily engaged in new graduate hiring, mid-career hiring, and personnel service corporate sales.
July, 1995	Left Recruit. Founded NEXT HOME Co., Ltd., which later became NEXT Co., Ltd., and started business operations.
March, 1997	Founded NEXT, Co., Ltd., and appointed President and CEO (current position).
March, 2014	Founded incorporate foundation Next Wisdom Foundation, and assumed the post of Representative Director
April, 2014	Becomes President and International Business Division Manager (present post)

■ The Founding of the Company

While working at Recruit COSMOS (now COSMOS INITIA), he had a young couple as his clients. He showed them a property that they were very interested in, and decided immediately to purchase. However, their loan application was rejected, and they were crestfallen. Inoue, seeing this, determined to find another property that would satisfy their desires, so he began showing them various properties, regardless of whether the properties were handled by Recruit COSMOS.

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

At the time, access to real estate property information was relatively closed, and even for Inoue, part of the real estate industry, obtaining information on properties was both time and labor intensive. In 1997, Inoue founded NEXT, Co., Ltd., as a way to change the real estate system itself and its "asymmetry of information", in which general customers, for whom obtaining property information required even more of an investment in time and effort, had to pick properties from only a limited selection of data.

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".





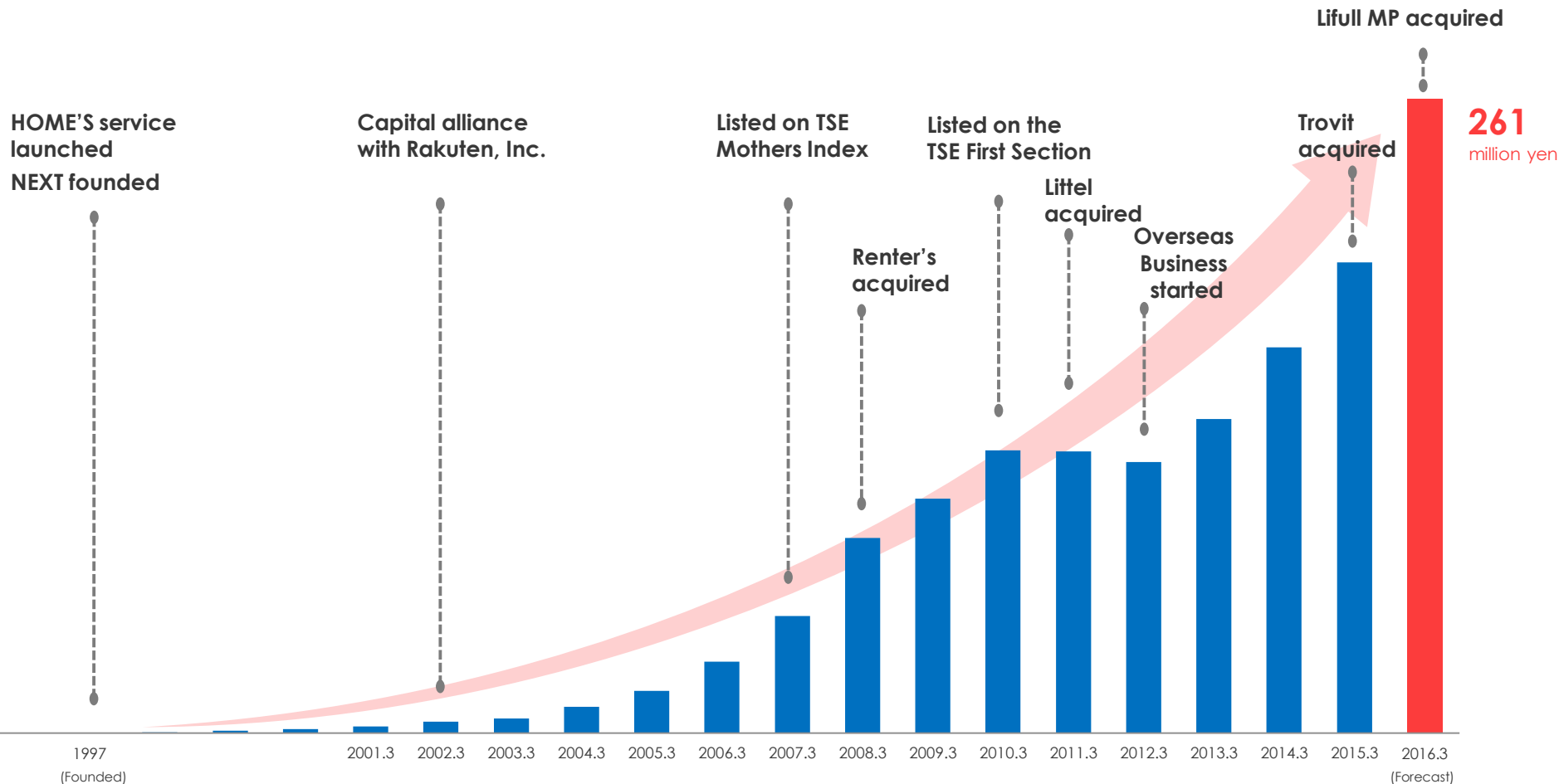
Designing Delightful Encounters



History

POINT

Structural reform is ushering in the second stage of growth.
 In the FY03/2015, NEXT has been implementing strategic investment programs, including M&A activities
 The Company's existing businesses posted record high sales and profit



Issue of new shares through third-party allotment and borrowing of funds

> Details

(1) Issue of new shares through third-party allotment to Rakuten, Inc.	
• Amount of funds raised	3,999,999,000 yen
• Issue price	690 yen/share
• Number of new shares issued	5,797,100 shares (dilution ratio of 5.1%)

(2) Debt refinancing through syndicated loan	
• Arranger	Sumitomo Mitsui Trust Bank, Ltd.
• Amount borrowed	3,000,000,000 yen
• Term of loan	Three years from execution date
• Security conditions	Unsecured, unguaranteed

> Objectives

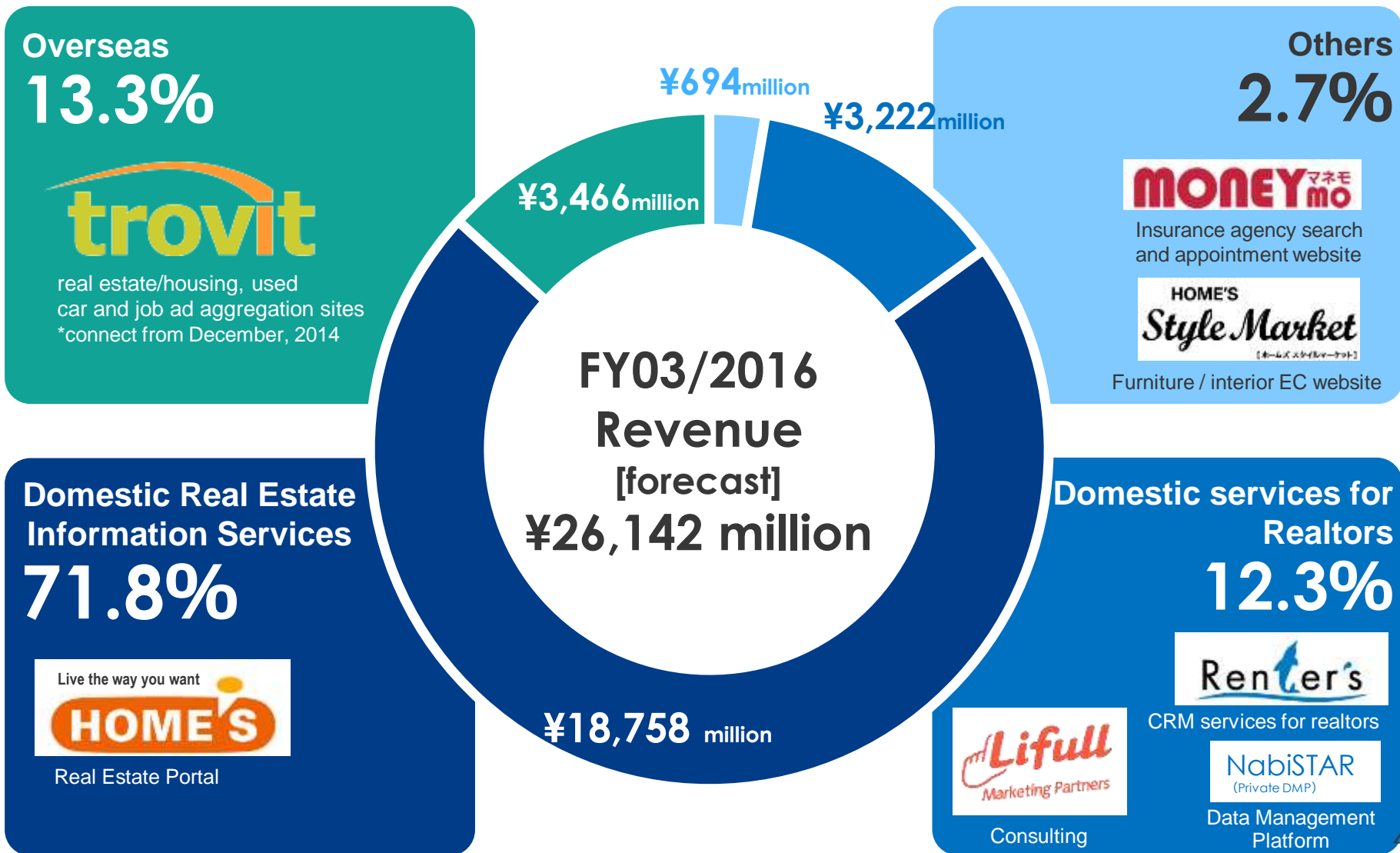
- Establishing even stronger business ties with Rakuten, Inc.
- Capital reinforcement
- Repayment of 7,000 million yen in loans that resulted from NEXT's acquisition of Trovit Search S.L.

> Future impact on business

- Enabling M&A activities
- Consideration of new services and businesses fusing the strengths of Rakuten, Inc. and NEXT

Revenue by Service

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



Trend of Operating P/L (Quarterly)

[J-GAAP]

[IFRS]

Quarterly consolidated statements of income

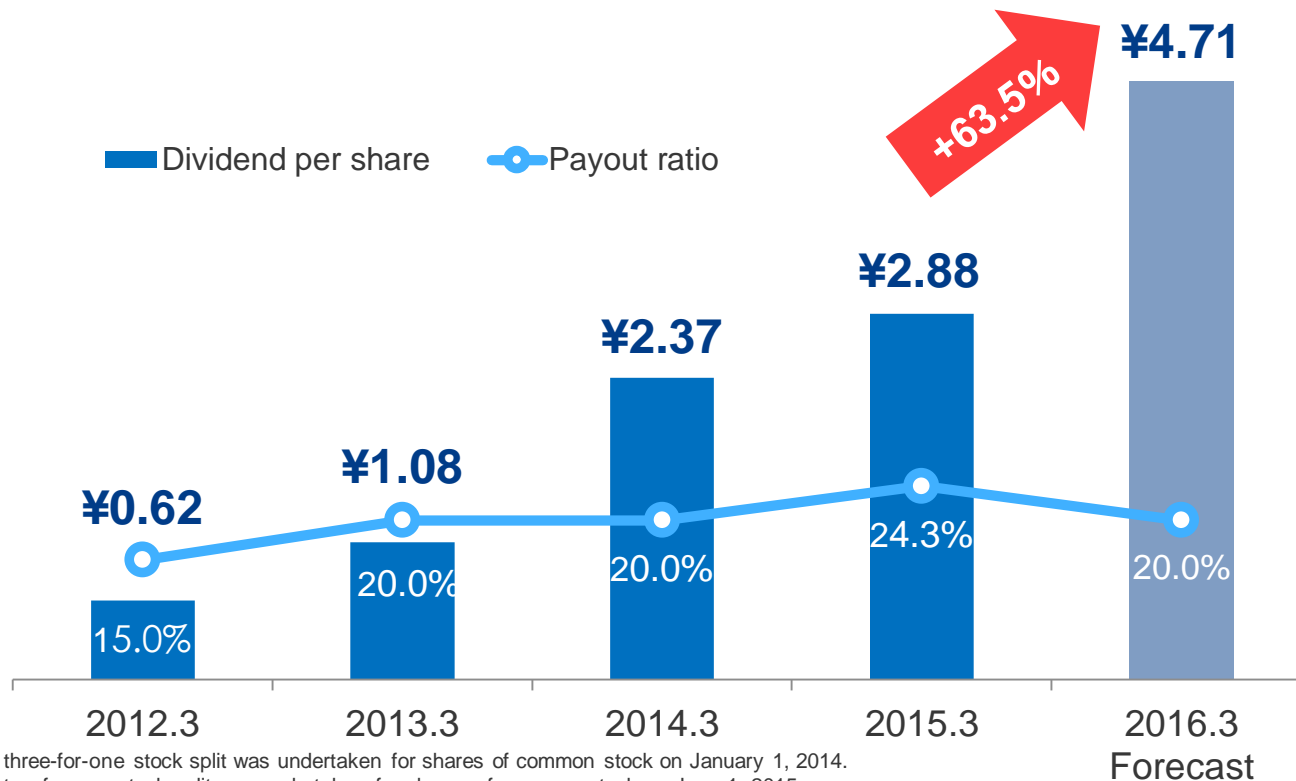
Unit : M.JPY	FY2014/03				FY2015/03				FY2016/03	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Revenue	3,398	3,454	3,556	4,281	3,852	3,897	4,319	6,095	5,457	6,441
Domestic Real Estate Information Services	3,160	3,214	3,307	3,966	3,524	3,583	3,756	4,737	4,167	4,342
Rental & Existing home	1,818	1,846	1,889	2,423	2,102	2,161	2,362	3,126	2,648	2,777
New ly-constructed lots	1,021	1,027	1,096	1,178	1,083	1,087	1,107	1,258	1,207	1,196
Custom-built houses & Renovations	256	266	240	268	230	224	166	196	169	204
Others	63	75	81	95	107	109	121	155	141	165
Domestic Services for Agents and Brokers	139	156	176	177	213	227	234	252	245	1,065
Overseas	10	5	4	8	14	6	244	938	904	940
Others	90	80	69	132	107	84	88	172	144	143
Cost of sales	102	104	129	136	108	126	153	194	141	737
SG&A	2,301	2,676	2,543	3,958	2,932	3,237	3,180	5,041	4,036	4,640
Personnel expenses	806	973	848	1,155	1,001	998	1,083	1,356	1,366	1,479
Advertising expense	774	952	906	1,862	1,114	1,328	960	2,538	1,524	2,002
Operating expense	84	95	117	176	126	170	201	220	208	245
Other SG&A	637	654	670	764	690	739	934	925	937	912
Other revenues and expenses	0	0	0	6	-2	-3	-9	-26	-13	-41
EBITDA	994	673	883	186	808	530	975	834	1,266	1,022
Depreciation/amortization cost	131	122	92	91	87	88	120	161	214	214
Operating profit	862	550	791	95	720	442	854	673	1,052	808
Net profit	516	309	455	54	430	282	559	523	682	552
EBITDA margin	29.3%	19.5%	24.9%	4.4%	21.0%	13.6%	22.6%	13.7%	23.2%	15.9%

Quarterly consolidated segment profit and loss

Unit : M.JPY	FY2015/03				FY2016/03	
	1Q	2Q	3Q	4Q	1Q	2Q
Domestic Real Estate Information Services	741	486	934	566	860	597
Domestic Services for Agents and Brokers	6	14	-6	-37	2	23
Overseas	-23	-37	-24	200	214	220
Others	-3	-20	-42	-33	-20	-12
Inter-segment transactions	2	2	2	3	8	20
Segment profit	723	445	864	699	1,065	849

Dividends

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



* A three-for-one stock split was undertaken for shares of common stock on January 1, 2014.

* A two-for-one stock split was undertaken for shares of common stock on June 1, 2015.

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

CHECK!

- > Due to the transition period to IFRS, the dividend payout ratio for the FY03/2015 was computed on the basis of net profit that excluded the “effects of NEXT’S acquisition of Trovit.” Thus, the resultant payout ratio was 24.3%.
- > For the FY03/2016, NEXT expects to pay dividends by making calculations on the basis of net profit attributable to parent company owners under IFRS standards (payout ratio of 20%).
- > Net profit for the FY03/2016 was revised down by 0.9% to 2.795 billion yen as part of the full-year performance forecast revision resulting from the Lifull MP acquisition.
- > NEXT issued new shares of stock through a third-party share allotment to Rakuten, Inc. This resulted in an increase of 5,797,100 outstanding shares (5.1%).
- > NEXT intends to raise the dividend payout ratio in the future in consideration of total capital, investment forecasts, and growth rates, among other factors.
- > Effective June 1, 2015, NEXT conducted a two-for-one stock split for each share of its common stock. Accordingly, the per-share dividend for the previous year was calculated by adjusting for the effect of this stock split.

External Market Data (Monthly) Reference data

Number of Apartments for sales (Monthly)

Source : Real Estate Economic Institute Co., Ltd.

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
Capital Region	45,602	56,478	44,913	2,473	4,300	3,503	4,222	2,110	3,336	3,125	3,337	9,389	1,679	2,598	4,457	2,286	3,495	3,503	4,785	2,610	2,430
YOY	2.5%	23.8%	-20.5%	-39.6%	-13.4%	-28.3%	-20.4%	-49.1%	-44.1%	-10.9%	-33.3%	13.9%	-8.1%	-2.0%	-4.0%	-7.6%	-18.7%	0.0%	13.3%	23.7%	-27.2%
Kinki	23,266	24,691	18,814	1,222	1,588	1,690	2,016	1,217	1,829	1,427	1,975	1,638	1,314	1,905	2,019	1,189	1,920	1,755	1,258	969	1,798
YoY	15.1%	6.1%	-23.8%	-9.3%	-20.2%	-30.1%	-4.5%	-39.0%	-50.2%	1.6%	10.9%	-32.1%	84.8%	15.2%	9.3%	-2.7%	20.9%	3.8%	37.6%	-20.4%	-1.7%

Trend of Price for Apartments (Monthly)

Source : Real Estate Economic Institute Co., Ltd.

Unit : M.JPY	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
Capital Region	4,540	4,929	5,060	4,846	5,156	4,830	5,532	5,684	4,764	4,560	5,224	5,022	4,455	5,696	5,186	5,305	4,812	5,815	5,953	5,872	5,393
YoY	-0.8%	8.6%	2.7%	2.5%	5.3%	-0.1%	7.9%	18.5%	-5.6%	-7.1%	5.2%	-5.9%	-3.9%	12.5%	-0.6%	9.5%	-6.7%	20.4%	7.6%	3.3%	13.2%
Kinki	3,438	3,496	3,647	3,430	3,517	3,766	3,618	3,808	3,877	3,587	3,649	3,872	3,155	3,427	3,842	3,562	3,964	3,664	3,578	3,641	3,708
YoY	-1.1%	1.7%	4.7%	-0.1%	-0.5%	6.1%	2.7%	11.4%	10.3%	6.1%	1.4%	16.2%	-9.2%	1.4%	5.5%	3.8%	12.7%	-2.7%	-1.1%	-4.4%	-4.4%

New build properties (Monthly)

Source : Ministry of Land, Infrastructure, Transport and Tourism

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
House for Rent	318,521	356,263	362,191	31,177	27,434	31,058	28,623	28,435	30,082	33,628	32,655	32,478	26,856	25,672	30,243	30,603	28,208	35,600	33,977	33,470	34,092
YoY	11.4%	11.8%	1.7%	12.0%	3.1%	1.8%	-7.7%	-3.8%	-5.7%	-4.1%	-7.4%	-8.9%	-10.3%	-7.5%	4.6%	-1.8%	2.8%	14.6%	18.7%	17.7%	13.3%
Apartment house	123,203	127,599	110,475	8,902	7,307	7,754	9,011	10,188	9,949	10,495	9,255	8,709	10,377	10,693	7,575	11,071	11,322	14,173	7,424	10,189	7,724
YoY	5.5%	3.6%	-13.4%	-16.9%	-43.3%	-24.5%	-12.7%	-6.8%	-20.4%	23.3%	2.4%	-10.5%	-13.1%	23.3%	-8.6%	24.4%	54.9%	82.8%	-17.6%	0.0%	-22.4%
House	122,590	134,888	125,421	10,737	10,026	11,491	10,882	10,299	10,247	10,146	10,602	10,763	9,511	9,630	9,887	9,893	9,148	11,160	10,587	10,768	10,351
YoY	5.0%	10.0%	-7.0%	1.7%	-7.9%	-1.4%	-3.7%	-14.1%	-10.1%	-13.8%	-12.5%	-10.5%	-9.7%	-0.2%	-1.6%	7.9%	-8.8%	-2.9%	-2.7%	4.6%	1.0%
Owned house	311,589	354,772	285,270	23,799	22,288	24,864	23,524	24,250	24,617	24,245	24,462	23,725	20,282	20,813	21,352	23,294	22,542	26,643	25,396	25,245	25,219
YoY	2.0%	13.9%	-19.6%	-16.1%	-22.9%	-19.0%	-25.3%	-22.7%	-23.4%	-28.6%	-29.3%	-25.5%	-18.7%	-9.1%	-1.4%	-2.1%	1.1%	7.2%	8.0%	4.1%	2.4%

Internal migrants (Monthly)

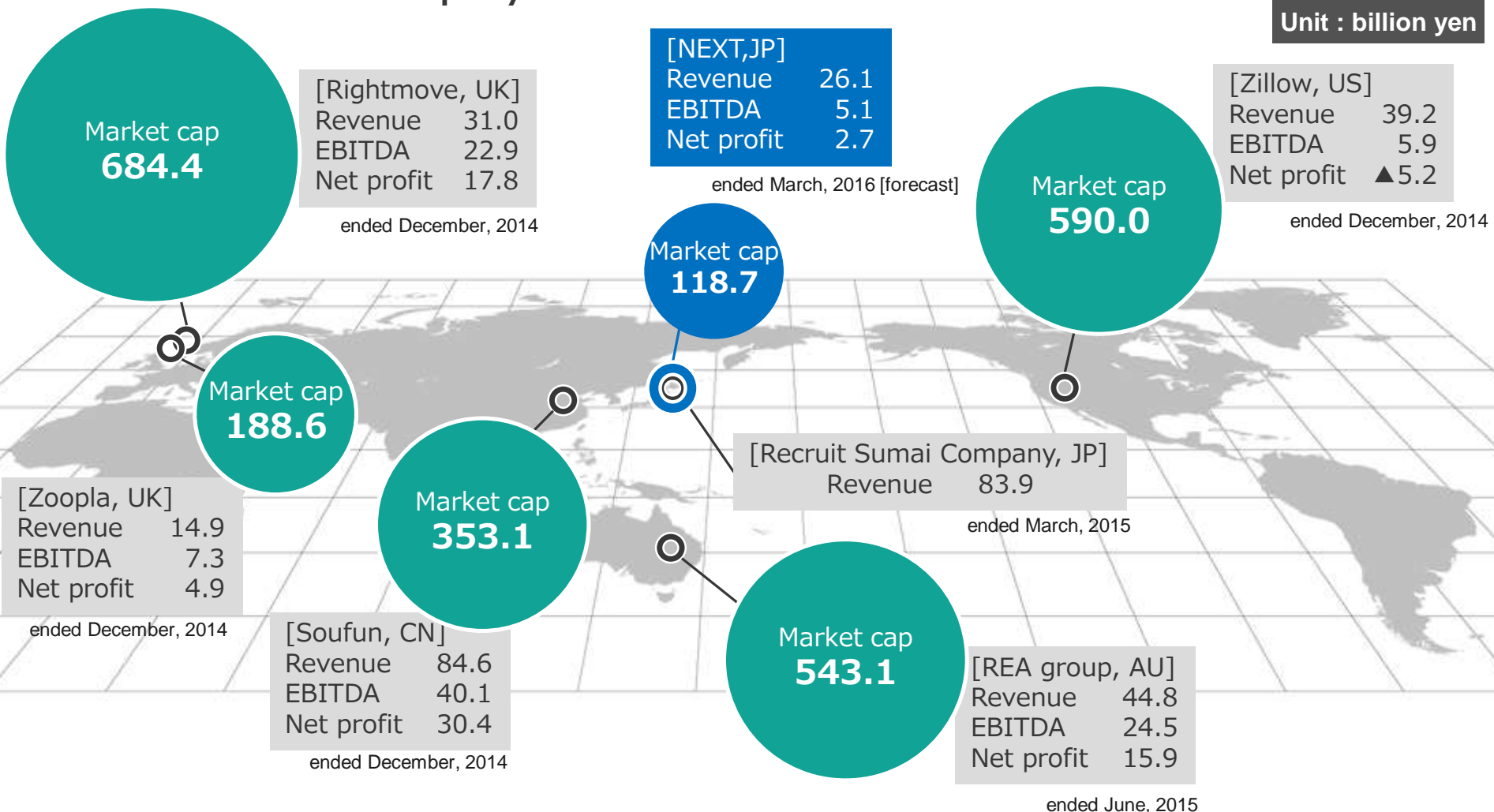
Source : Ministry of Internal Affairs and Communications

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
people	5,018,166	5,015,571	5,207,599	749,265	340,819	320,900	356,646	351,970	360,790	380,316	304,779	336,902	319,754	350,058	967,388	764,296	360,121	370,989	374,787	377,467	394,589
YoY	-0.5%	-0.1%	3.8%	-7.8%	-8.1%	6.2%	-7.4%	-6.8%	3.2%	2.9%	-3.7%	4.1%	6.6%	6.6%	8.1%	2.0%	5.7%	15.6%	5.1%	7.2%	9.4%

The situation of the overseas competitor

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

Unit : billion yen



Note1 Calculated from the IR materials of each company presentation

Note2 The stock of November, 2015

Note3 Exchange rate \$1=120.42 yen, GBP1=185.84yen, AUD1= 85.86yen

Our business model

Domestic Real estate information services



Real estate / housing information listing site 『HOME'S』

<http://www.homes.co.jp/>

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

Besides the quantity of information, we established screening team to improve information accuracy.

Continued to step up our efforts to meet smart device-related needs, catering for a variety of needs.



The iOS and Android applications by the HOME'S website



HOME'S application for visually-impaired persons



Property visit note application



HOME'S check-in application



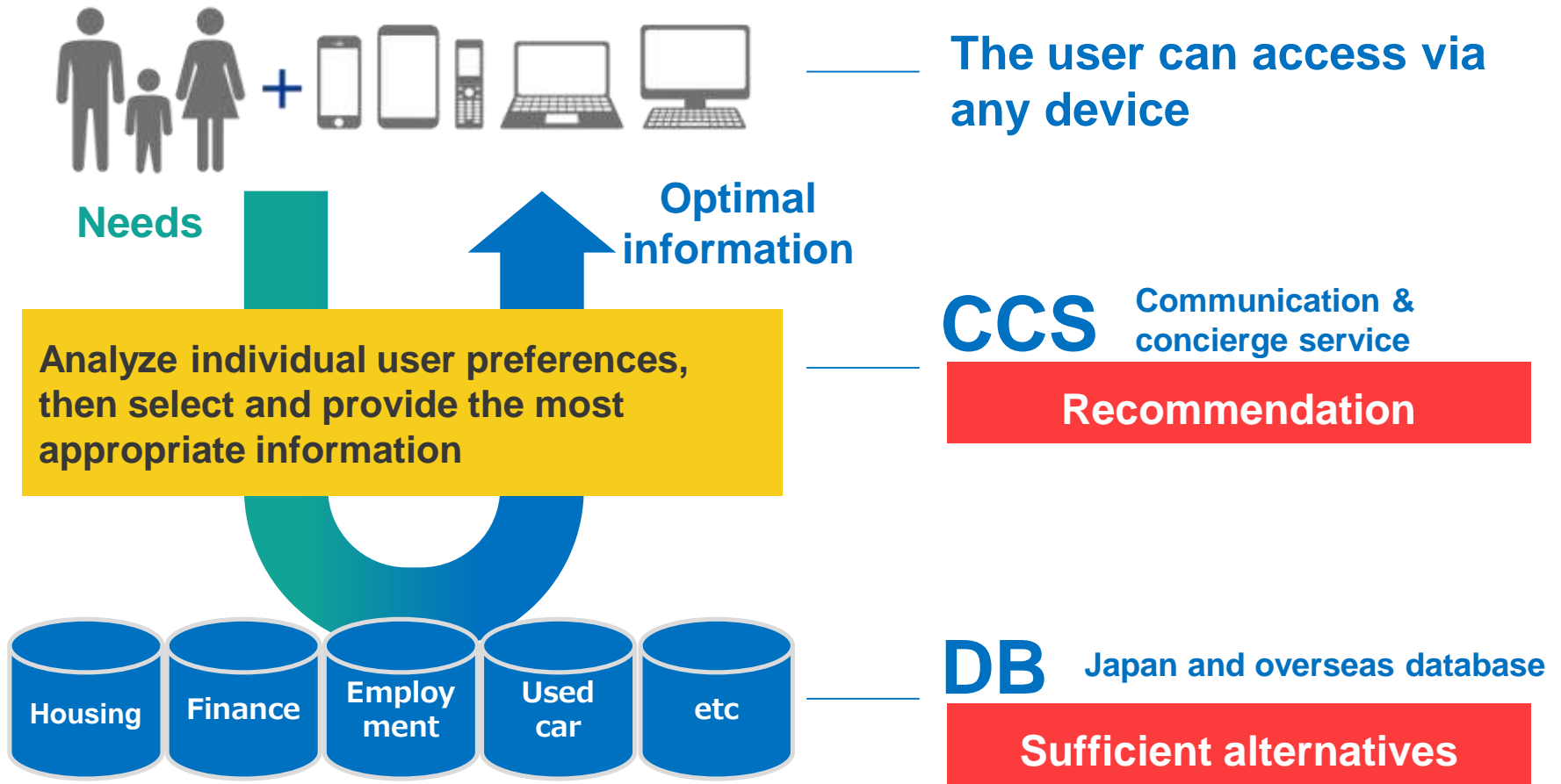
You can see a 360-degree view of properties with images that make the scene more alive.

↓ Samples of 360-degree panoramic images

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

<http://goo.gl/E3KGRl>

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



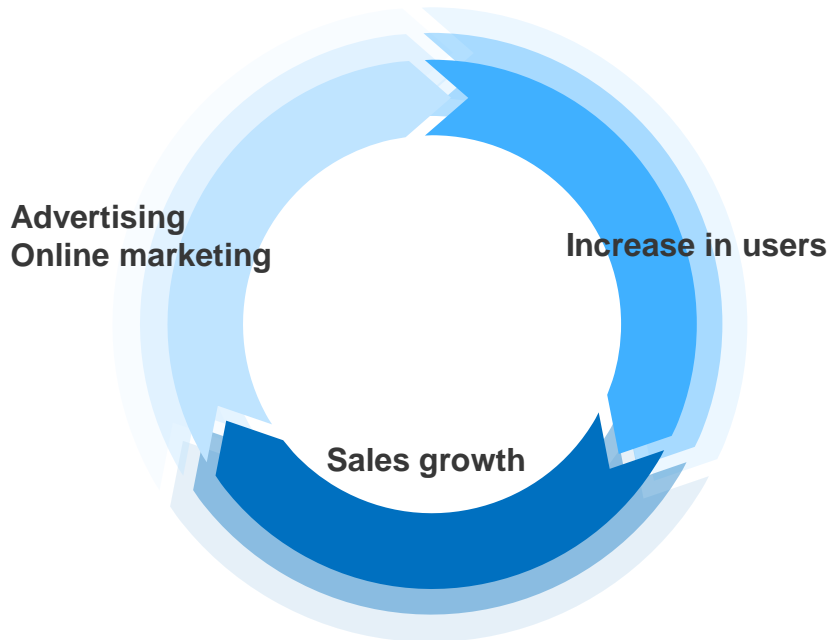
**Only HOME'S
applies an inquiry based charging system
among major Japanese real estate portal**



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

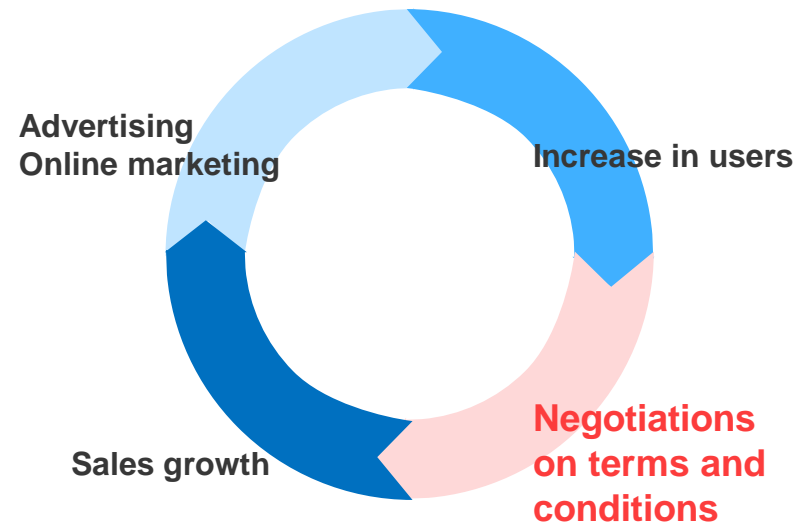
POINT With the pay-per-inquiry-based billing structure model, advertising spending leads directly to growing sales

Pay-per-inquiry-based billing structure model



Leads directly to growing sales
Helps expand the business at an accelerated pace

Pay-per-posting-based billing structure model

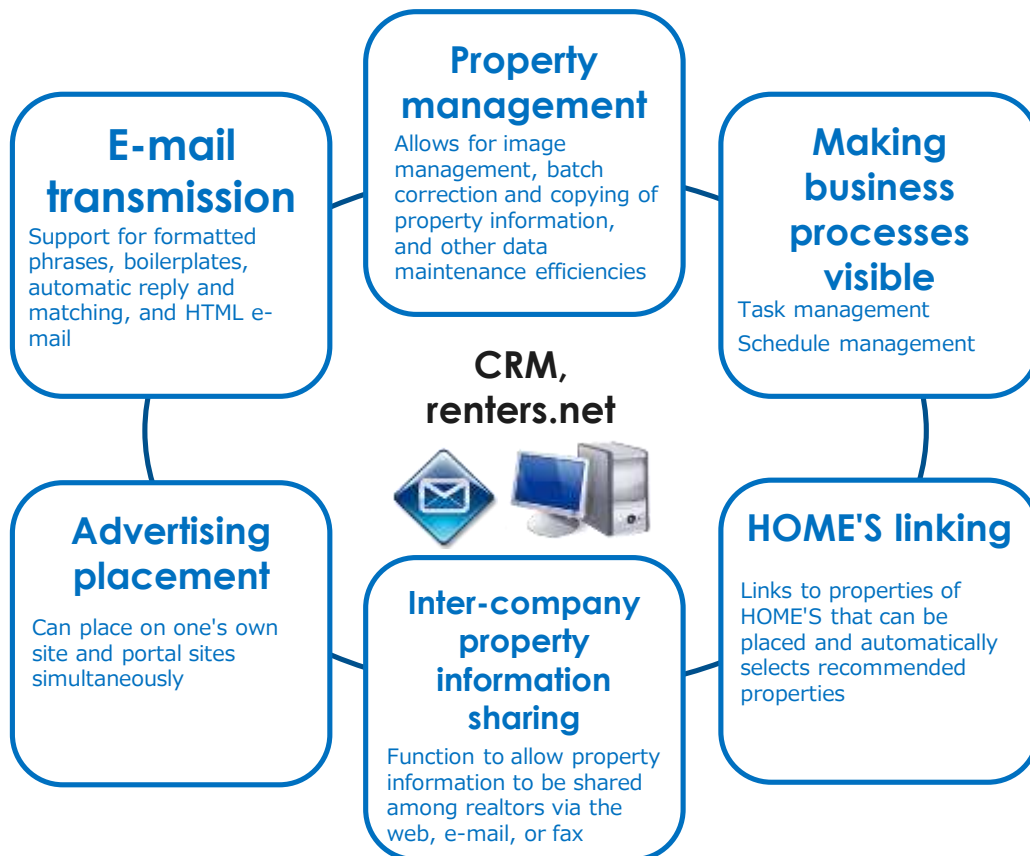


To grow sales requires negotiating on raising the posting fee

Services for Real Estate Industry

CRM services for realtors

A business support service provided by NEXT subsidiary Renters for rental property realtors. The service provides CRM, batch conversion of property information, and functions for management companies, systematizes complex property management processes and prevents customer support from being the domain of only a few individuals, **effectively streamlining realtors' business.**



Website creation service 「Annex」

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

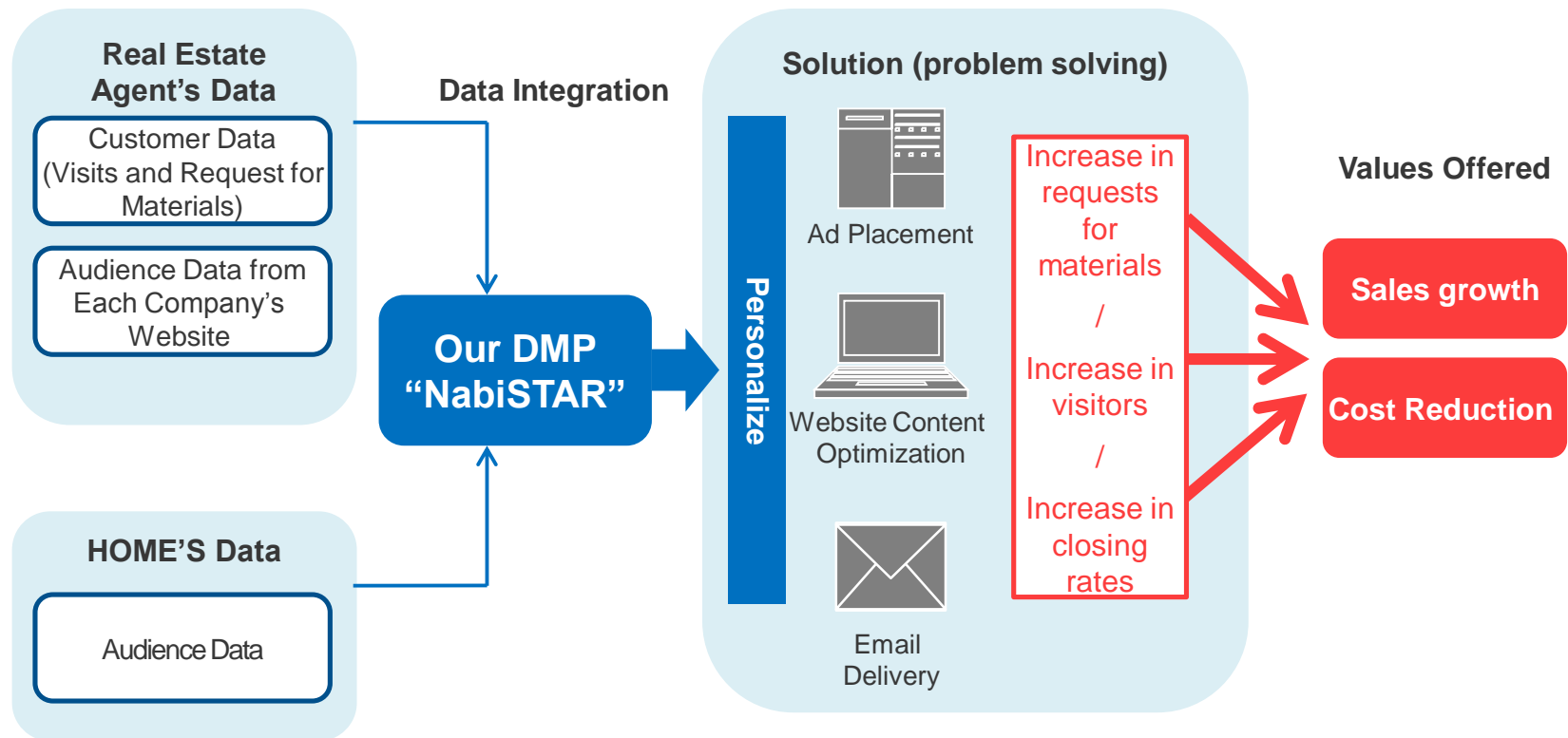
The service involves a one-time registration fee of 50,000 yen and a monthly fee starting at 10,000 yen.



DMP service 「NabiSTAR」

POINT Launch industry-specific DMP* services targeting real estate agents. Optimize the effect of customers' web ads, thereby helping them increase closing rates and sales.

* DMP = Data Management Platform



Overseas business



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

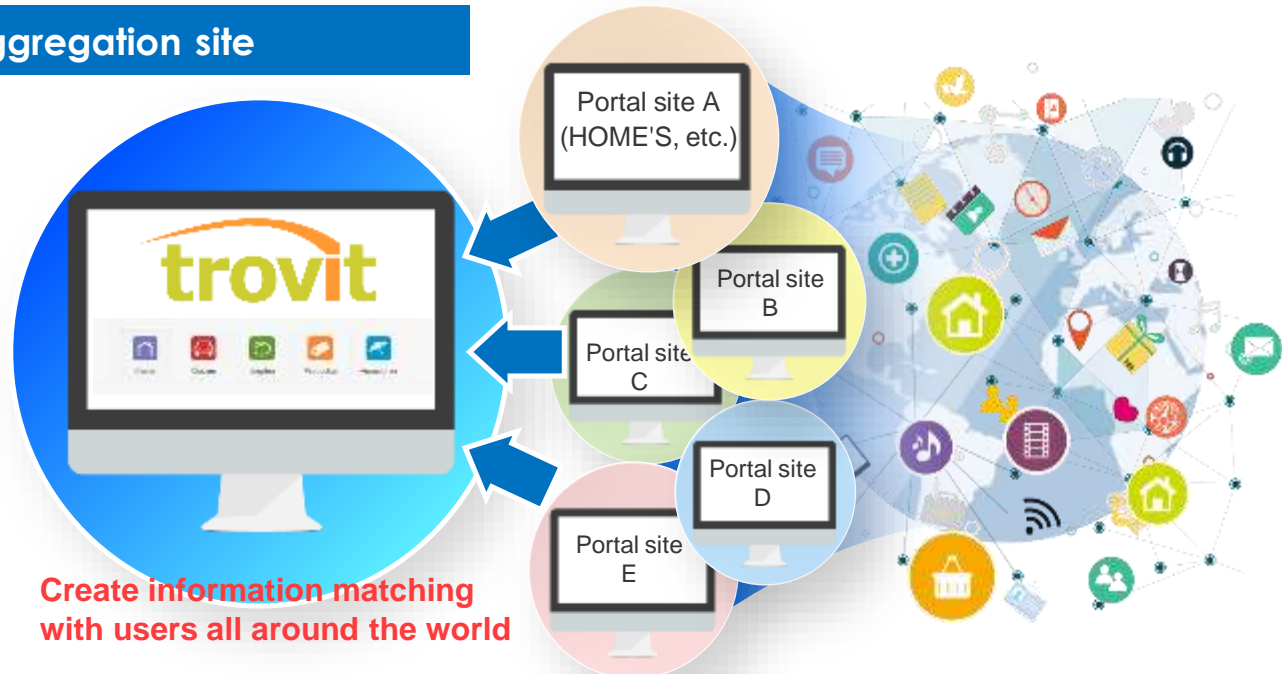
<http://www.trovit.co.uk/>

- Offers real estate/housing, used car and job ad information.
- Entered three countries this year, and now it offers services in 46 countries.

Image of aggregation site



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 Strage room



Other “ Lifull ”services



Established Four New Subsidiaries under the Lifull Brand

POINT Transferred the “HOME’S Nursing Care,” “MONEYMO,” “HOME’S Moving Estimates,” and “HOME’S Storage Room,” businesses to the subsidiaries to achieve increased speed for the operations while accelerating the efforts to develop employees

Lifull Senior Co., Ltd.

Runs the “HOME’S Nursing Care” site, a search site for senior citizens’ homes and nursing care facilities
<http://kaigo.homes.co.jp/>

Lifull FinTech Co., Ltd.

Runs the “MONEYMO” site, an insurance shop search and reservation site
<http://moneymo.jp/>

Lifull Move Co., Ltd.

Runs the “HOME’S Moving Estimates” site, a comprehensive moving service fee estimate and online reservation site
<http://www.homes.co.jp/hikkoshi/>

Lifull Space Co., Ltd.

Runs the “HOME’S Storage Room” site, a storage room search site
<http://www.homes.co.jp/trunkroom/>



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

Lifull TraveRing



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

Communication application

旅行者(トラベラー)として、旅行先のエリアの人(ローカル)を探して質問してみましょう。



Main functions

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

Launch a service to introduce carefully selected hosts in Japan.

Feel "Japanese"



<https://traving.com/>

Lifull Scouting



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



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

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

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