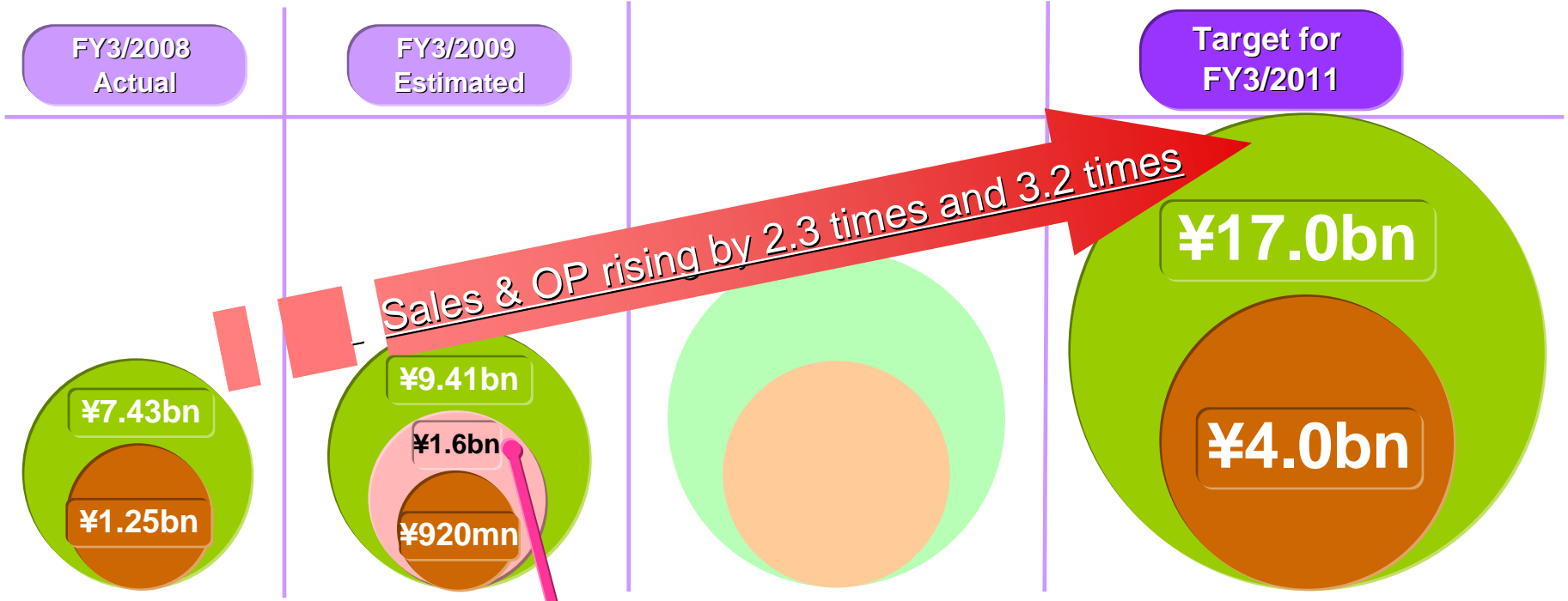




FY3/2009 Investment phase to make HOME'S "Dominantly No. 1"

FY3/2011 Targeting consolidated sales 2.3 times higher and consolidated operating profit 3.2 times higher than those in FY3/2008



Consolidated sales
 Consolidated OP

【¥680mn additional investment for FY3/2009】

Additional ¥250mn personnel costs for more sales people, additional ¥430mn advertising costs to enhance branding etc.

If expenses were allocated according to precedent, operating profit of ¥1.6bn would be anticipated.

Best Matches between People and Houses

Next Co., Ltd.

《TSE Mothers: 2120》

Mid-term Corporate Vision for the period to
March 2011 and Business Performance
Forecast for the year to March 2009



NEXT CO.,LTD.



The views and forecasts contained in this presentation are based on our opinions or judgments when the document was produced, and no representation is made as to the accuracy of the information contained herein. Please note that actual results and performance may differ substantially from our forecasts due to changes in various factors.

(May 14, 2008)

2008 Spring Version

NEXT Group Mid-term Corporate Vision to FY3/2011 ...P3-P8

Consolidated Sales Target for FY3/2011	...P4
Consolidated Operating Profit for FY3/2011	...P5
Number of HOME'S Member Outlet & Unit Fee Targets for FY3/2011	...P6
External Environment for Social Networking Services (SNSs) and Lococom	...P7
World Vision as targeted by Lococom	...P8



NEXT CO.,LTD.



Business Performance Forecast for FY3/2009 ...P9-P17

Earnings forecast for FY3/2009	...P10
Full-year Sales Forecast by Business/Service Segment	...P11
Consolidated Sales and Operating Profit Trend (FY3/2005-FY3/2009)	...P12
Priority Themes for the Year to March 2009 ①	...P13
Priority Themes for the Year to March 2009 ②	...P14
Member Outlets Distribution Map(as at the end of March 2008)	...P15
HOME'S Positioning in Real Estate Rental & Sales Market	...P16
Priority Themes for the Year to March 2009 ③	...P17



NEXT Group

Mid-term Corporate Vision

for the period to March

2011



NEXT CO.,LTD.



Consolidated sales ⇒ Target for FY3/2011 = ¥17.0bn

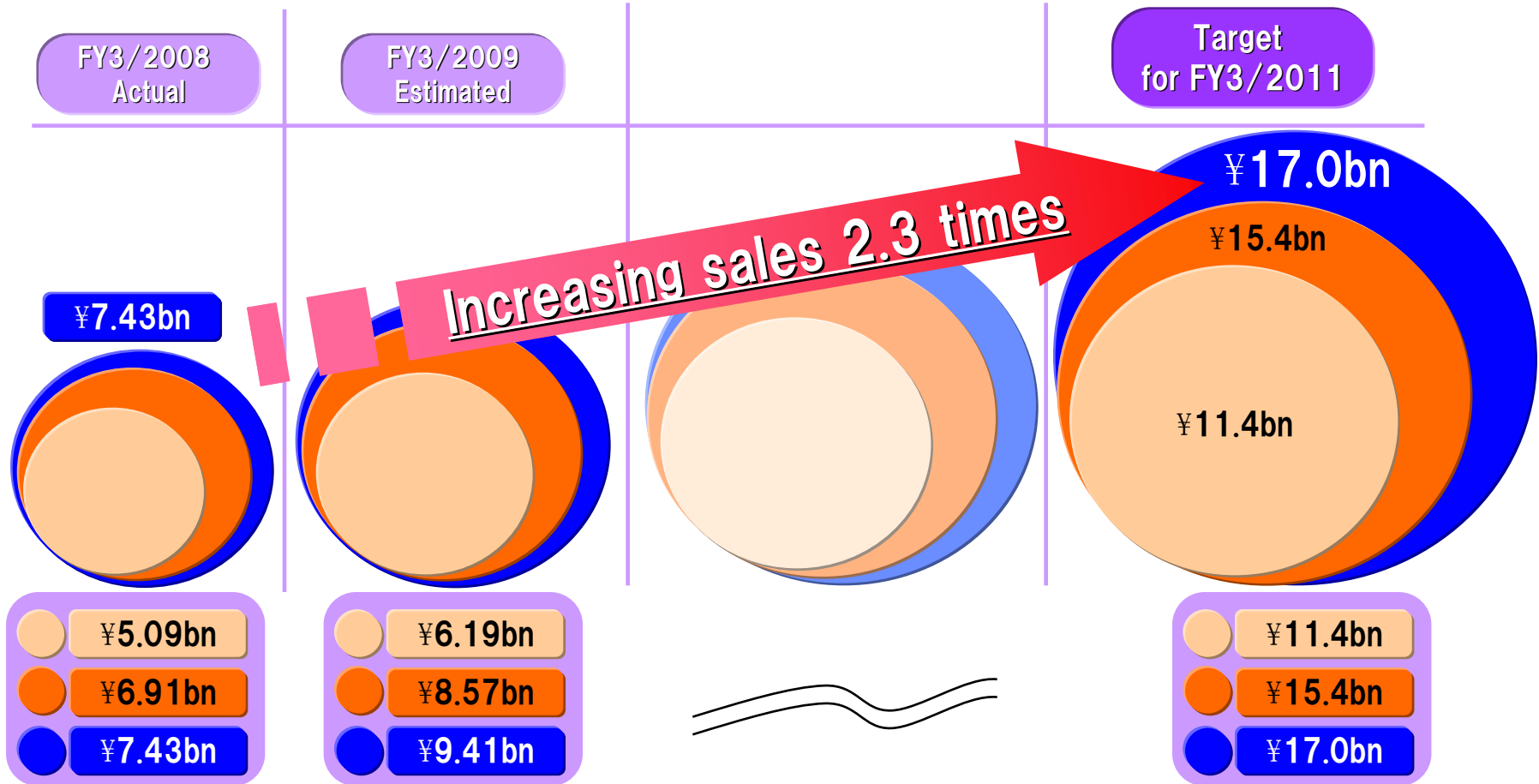


Chart legend: Real estate rental/sales Real estate portal Total group sales



Consolidated operating profit ⇒ Target for FY3/2011 = ¥4.0bn

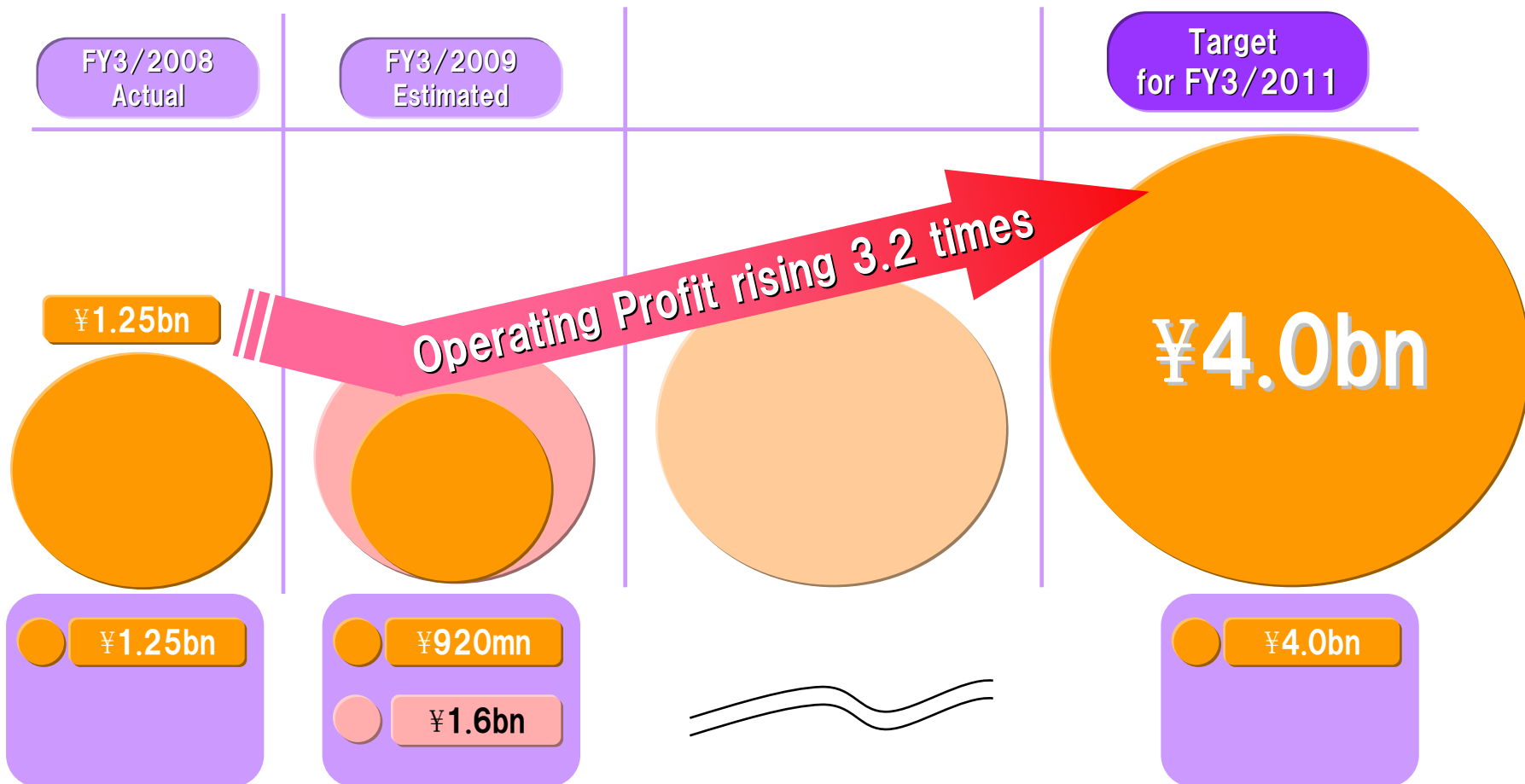
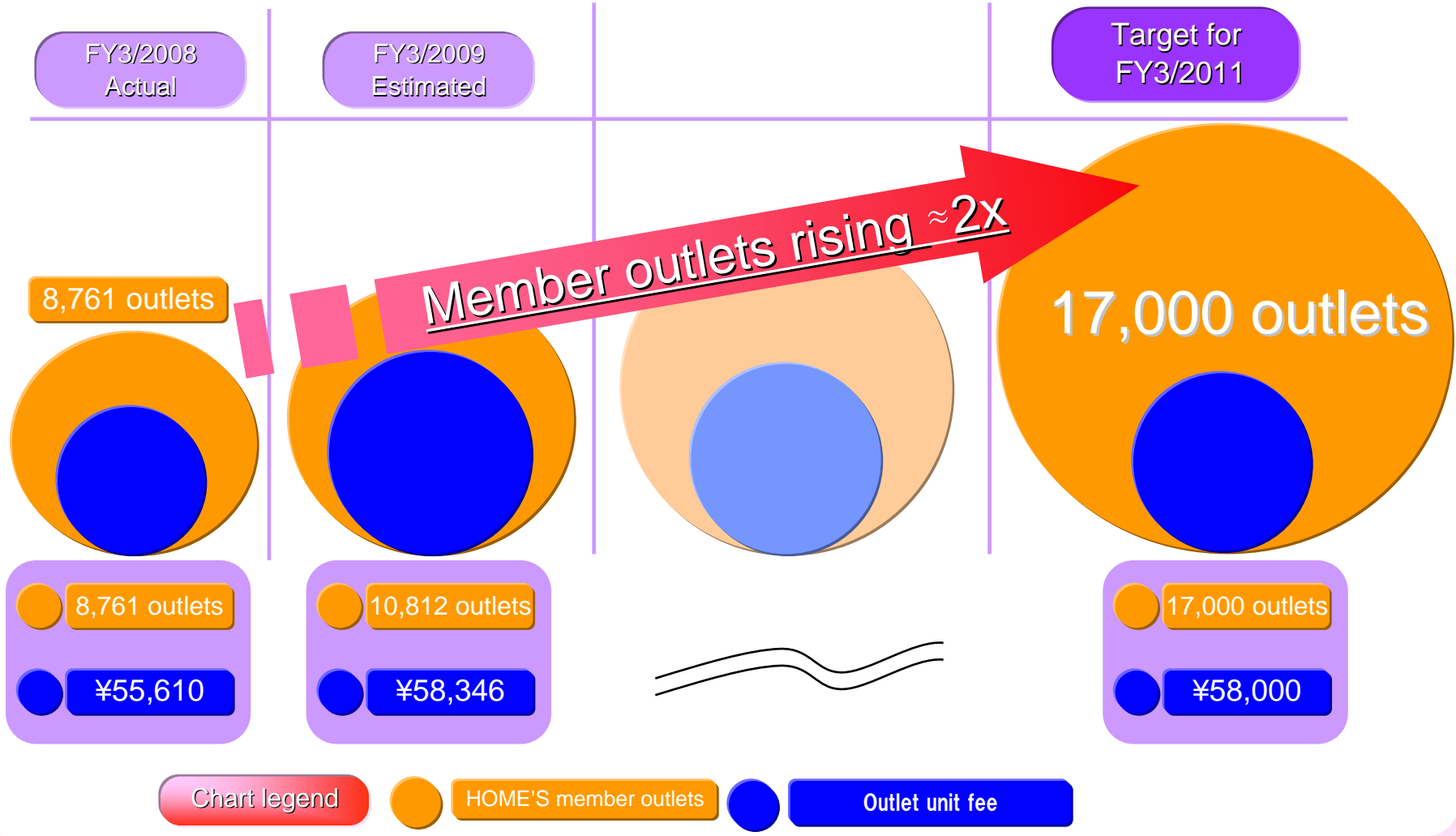


Chart legend

Consolidated OP

OP forecast if "NO. 1" Strategy were not to be adopted

No. of member outlets & unit fees ⇒ Targeting 17,000 outlets by March 2011





Monthly users

SNS site name

(SNS operator name)

- ① No. of registered members
- ② No. of monthly visitors

Lococom
(NEXT)
① 0.27mn
② 1.04mn

Cururu
(NHN)
① 0.80mn
② 1.10mn

Women's Park
(Benesse)
① 1.00mn
② 1.10mn

Myspace
(Softbank)
① 0.50mn
② 0.46mn

Gree
(Gree)
① 3.00mn
② 0.30mn

Lococom
(NEXT)
End of Mar 2011 (target)
① **2.50mn**

Mixi
(Mixi)
① 12.00mn
② 5.72mn

Targeted registered members by end of March 2011 2.50mn

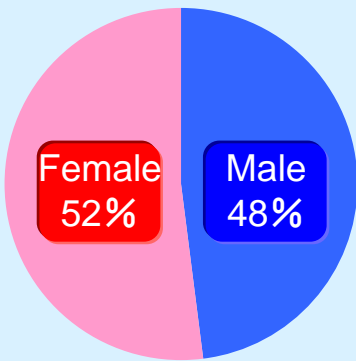
Despite a lower number of registered members, as unregistered people can browse the site, the number of visitors is relatively higher

Note: Registered members figures were released by the companies. Monthly visitors were surveyed by NetRatings. (As at December 2007)

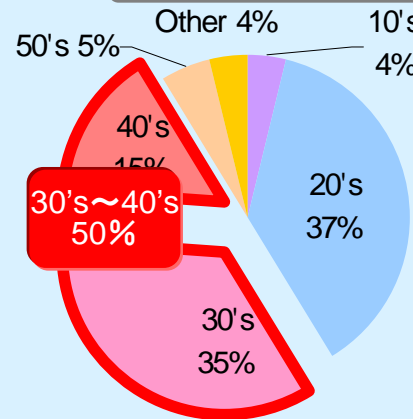
No. of registered members

User Profile

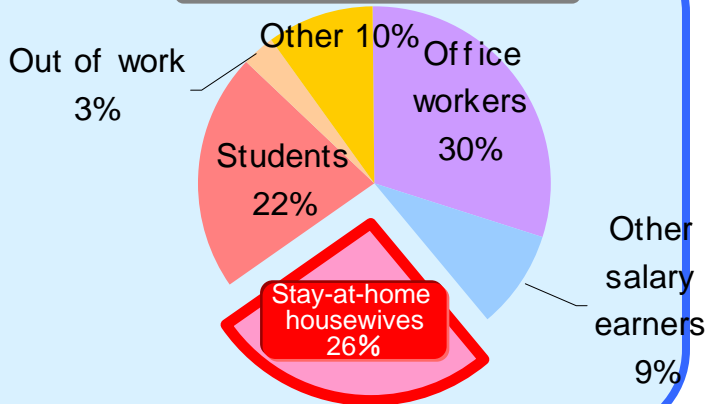
Breakdown by sex



Breakdown by age



Breakdown by occupation



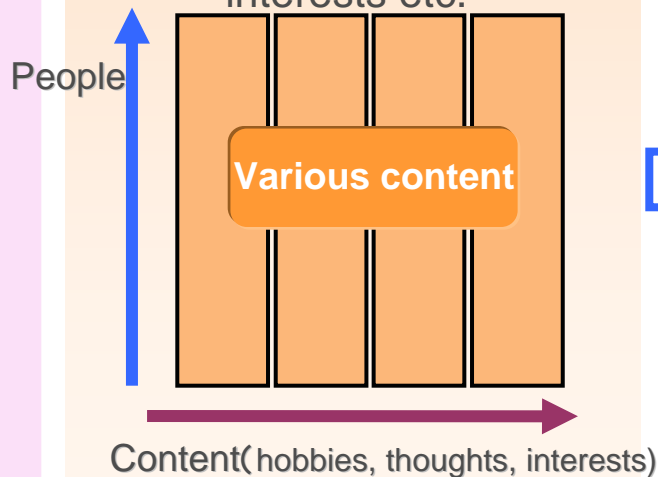


Adding the 'regional' axis to the traditional SNS, People, Region and Content have been linked in three dimensions.

The regional community Lococom offers a space for communication where real live people, regions and content have been organically linked through websites (including mobile websites)

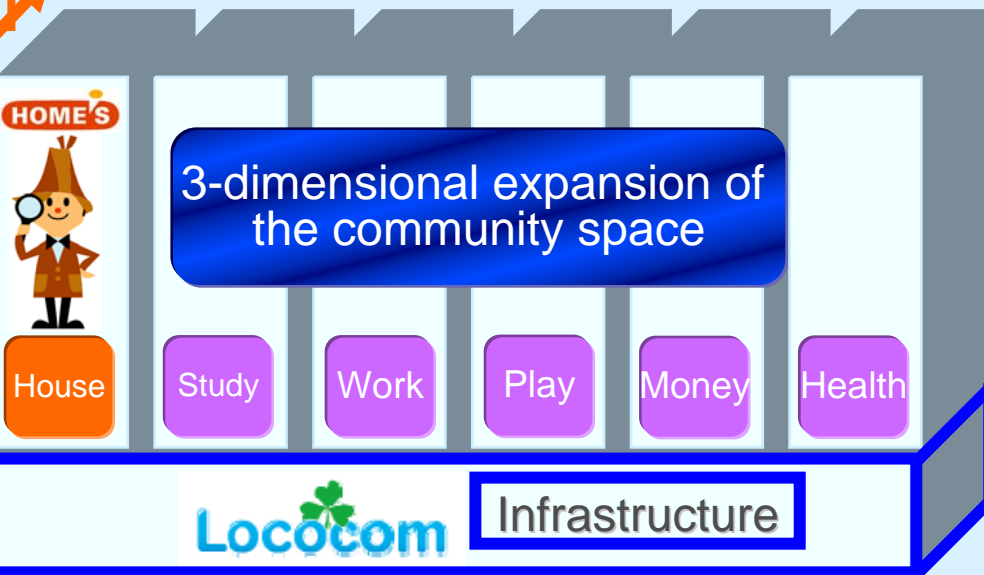
Traditional SNSs

A space for communication where people are linked through various content covering hobbies and interests etc.



Region

People



3-dimensional expansion of the community space

Content(hobbies, thoughts, interests)

NEXT Group Business Performance Forecast & Strategies for the Year to March 2009

This will serve as a basis for achieving
the mid-term corporate vision to March 2011



NEXT CO.,LTD.

Earnings forecast for the year to March 2009

Unit : ¥mn	Full-year forecast vs actual		
	Consolidated		
	FY3/2008 Actual	FY3/2009 Estimated	YoY Change
Net sales	7,433	9,416	+ 26.7 %
COGS	384	292	▲ 24.0 %
SG&A	5,797	8,201	+ 41.5 %
Personnel	2,242	3,084	+ 37.6 %
Advertising	1,405	2,303	+ 63.9 %
Operating profit	1,250	922	▲ 26.3 %
Net profit	406	389	▲ 4.3 %
EPS	¥2,203.00	¥2,100.99	▲ 4.6 %
Operating margin	16.8 %	9.8 %	—

Unit : ¥mn	Full-year forecast vs actual		
	Parent		
	FY3/2008 Actual	FY3/2009 Estimated	YoY Change
Net sales	6,770	8,434	+ 24.6 %
COGS	300	231	▲ 23.0 %
SG&A	4,927	7,075	+ 43.6 %
Personnel	1,925	2,615	+ 35.8 %
Advertising	1,344	2,212	+ 73.2 %
Operating profit	1,542	1,128	▲ 26.9 %
Net profit	683	676	▲ 1.0 %
EPS	¥3,701.58	¥3,652.63	▲ 1.3 %
Operating margin	22.8 %	13.4%	—

(Note) As we made a 1-for-2 stock split as of April 1 2008, the EPS's have been adjusted for the stock split.



Full-year Sales Forecast by Business/Service Segment



Unit : ¥mn	Business/Service Segment Name	Full-year sales - actual vs forecast (consolidated)				
		FY3/2007 Actual	FY3/2008 Actual	FY3/2009 Estimated	Amount of change	YoY change
Real Estate Portal Business	HOME'S real estate rental & sales	3,140	5,090	6,193	+ 1,103	+ 21.7%
	HOME'S newly-built condominiums	799	1,050	1,194	+ 144	+ 13.7%
	HOME'S newly-built detached houses	134	318	479	+ 161	+ 50.6%
	Other real estate portal business ※ 1	177	148	261	+ 113	+ 76.4%
	Willnic Co., Ltd ※ 2	—	308	452	+ 144	+ 46.8%
	Sub-total		4,250	6,914	8,579	+ 1,665
Regional Community Business	Lococom	0	4	174	+ 170	+ 4,250%
Real Estate Rental Guarantee Business	Next Financial Service (NFS) Co., Ltd. ※ 3	—	54	222	+ 168	+ 311.1%
Advertising Agency Business	Advertising agency business ※ 5	163	143	93	▲ 50	▲ 35.0%
Other Businesses	Renter's Co., Ltd. (only including Renter's network sales and Renter's development business sales) ※ 4, 5	—	264	271	+ 7	+ 2.7%
	Others (other businesses)	46	54	77	+ 23	+ 42.6%
TOTAL		4,459	7,433	9,416	+ 2,914	+ 26.7%

※1 Other real estate portal business includes HOME'S real estate investment, HOME'S auction and so forth.

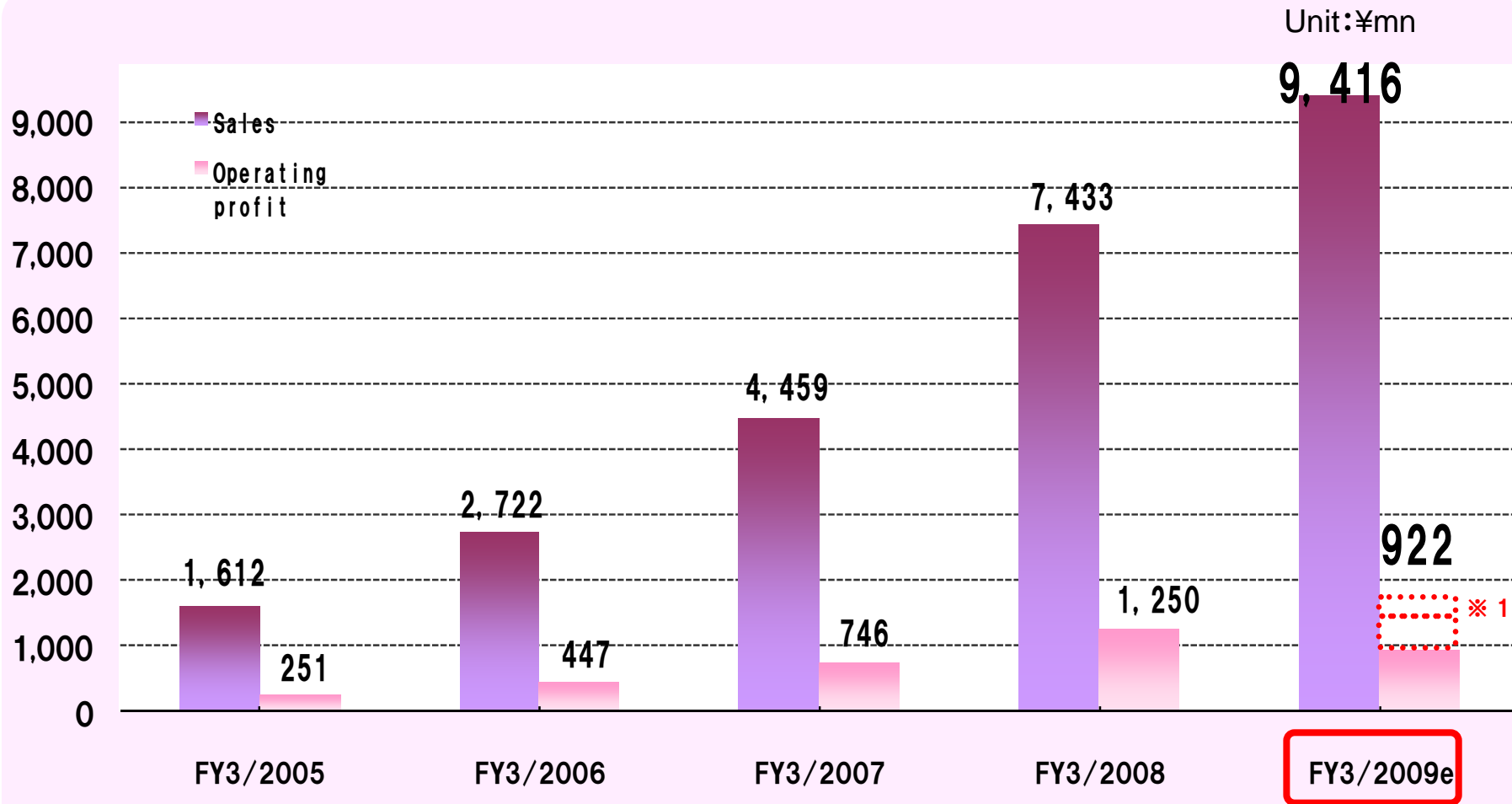
※2 Willnic was established in February 2007 and became a consolidated subsidiary. It started operation in April 2007.

※3 NFS, established in July 2007 as a consolidated sub., started operation in Sep. 2007 with business transferred from JAPAN SYNTHESIS GUARANTEE CO.,LTD.

※4 Renter's became a consolidated subsidiary in April 2007 through exchange of shares.

※5 Renter's sales include sales from advertising agency business, but this portion (¥36mn each for the year to March 2008 and the year to March 2009) is reported as advertising agency business sales.

Consolidated sales and operating profit trend (by fiscal year)



※1 Our traditional cost allocation policy has been to limit personnel costs and advertising costs to 30% and 20% each of total sales, and these indicate the excess over the limits (Personnel costs = +¥250mn and advertising costs = +¥430mn)



Back to basics



① “Dominantly NO.1” Policy

HOME'S Real Estate Rentals & Sales
leaping forward

⇒ HOME'S brand earnings pillar

Priority themes (See details on p14-16)

- Branding
- Faster customer base expansion
- Offering new HOME'S services

Cultivate



NEXT CO., LTD.

② “Building a growth base for FY3/2010 onwards”

Reaping profits from new services at early stages

⇒ Laying the groundwork for NEXT's
corporate visions

Priority themes (See details on p17)

- Lococom (¥210mn operating loss in FY3/2008)
- NFS (¥290mn operating loss + ¥120mn impairment loss in FY3/2008)
- Optimizing group synergies



Back to basics



① “Dominantly NO.1” Policy

HOME'S Real Estate Rentals & Sales leaping forward

⇒ HOME'S brand earnings pillar

Priority themes

- Branding
- Faster customer base expansion
- Offering new HOME'S services

■ Branding : Looking for a home = 『HOME'S』 ⇒ To become the service of choice

- Strengthening advertising activities

⇒ Plan to spend more on advertising expenses, about 4.5% (¥430mn) higher than the ceiling amount (20% of total sales) originally set as company policy. Increasing the public exposure of HOME'S, e.g. by increased advertising through TV commercials.

Consolidated advertising expenses : from c.¥1.4bn (18.9% of total sales) in FY3/2008 to c.¥2.3bn (24.5% of total sales)

■ For HOME'S real estate rentals and sales, pace of obtaining new customers should be raised: the net increase in the number of customers to be 2,051 per annum (+1,028 in FY3/2008)

- Building up and strengthening the sales system based on the organizational structure by region and type of customer.

⇒ By region: 4 group segments (Tokyo Met, Greater Tokyo other than Tokyo Met., Eastern Japan, Western Japan)

The number of sales people in the Rental Housing Distribution Div: 45 at the end of Mar 08 ⇒ 79 at the end of Mar 09 (67 as at Apr 1, 2008)

- Increasing staff headcount by raising personnel costs 2.8% (¥250mn) higher than the ceiling originally set at 30% of sales.

- Expanding the budget for advertising costs (but this should be exceptional to FY3/2009)

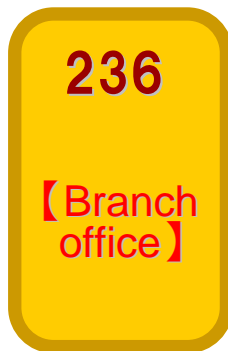
⇒ Advertising costs spent for the service: about ¥500mn in FY3/2008 ⇒ about ¥1.4bn in FY3/2009

■ Offering new HOME'S services

- New services are being developed (to be announced shortly) for the HOME'S housing-related integrated portal site.



Sales activities through 4 group segments



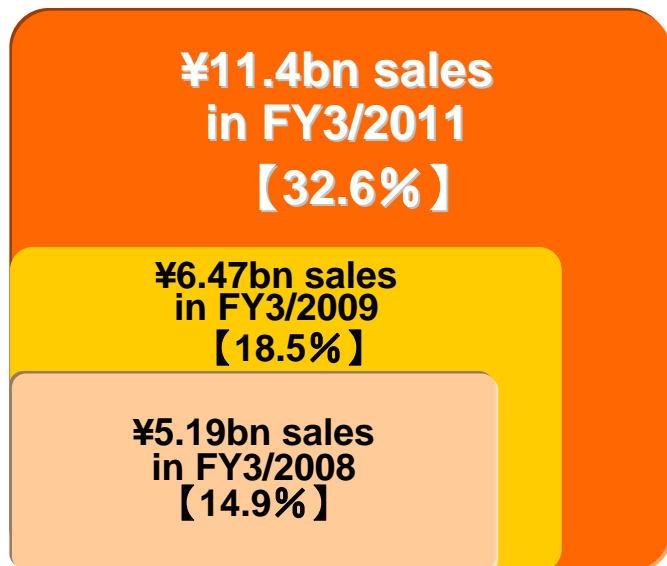
Kyushu & Okinawa



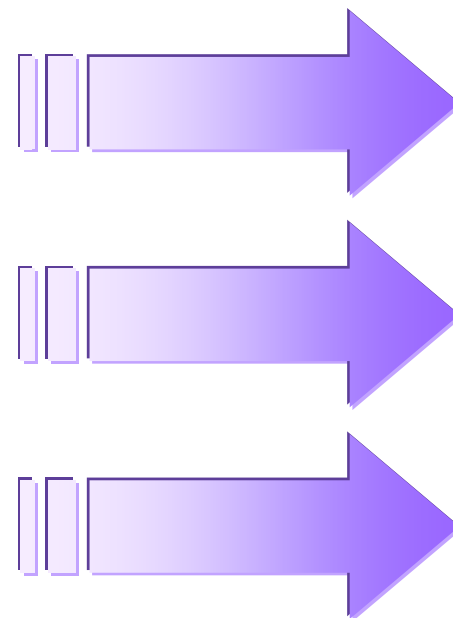
The market size for real estate rental and sales & real estate advertisement = approx ¥95.0bn per year (NEXT's estimate)

Of the total market, the size of the Internet market should be around **¥35.0bn** per year (NEXT's estimate)

– Assuming that the market remains constant, NEXT's market share trend is estimated as follows:



An increasing shift from paper media to website media driving the market expansion





Cultivate



NEXT CO.,LTD.

② “Building a growth base for FY3/2010 onwards”

Reaping profits from new services at early stages

⇒Laying the groundwork for NEXT’s corporate visions

Priority themes

- **Lococom** (¥210mn operating loss in FY3/2008)
- **NFS** (¥290mn operating loss +¥120mn impairment loss in FY3/2008)
- **Optimizing group synergies**

■ Lococom: enhancing media value as a regional community website

【Problems】 Smaller number of members & word of mouth⇒lower page views ⇒ Less attractive as an advertisement vehicle for its lower media value.

【Measures in FY3/2009】

- Complete renewal of the website ⇒ Improving usability, upgrading/expanding content while acquiring more members through promotional efforts
- Upgrading the functions of the mobile website ⇒ Linking in GPS functions, offering new content etc.
- Altering the organization ⇒ Making an independent sales group with more hires. Securing profit through sales force covering lower media value.
⇒In April 2008, we started offering a new sales promotion tool - a customized version of “Machicom” - at 125 sales offices of HIS in Eastern Japan; this tool offers outlet information, blogs, and coupon issuance at no charge. This will function as a strong sales tool, given the past case study.

■ NFS: strengthening management control by reviewing business planning.

【Problems】 Collecting advance money taking longer than expected; new product PASS has not been selling well

【Measures in FY3/2009】

- Securing recovery by ensuring achievement of the revised earnings plan made after incurring impairment loss ⇒ For the details of this plan, please refer to our Annual Financial Results Explanation Materials for FY3/2008 Page 27.
- Tightening the assessment standard and strengthening the collection flow process to improve the advance money collection rate
- Concentrating sales resources into medium-to-large management companies to raise the advance money collection rate through expansion of new products and good-quality customers.

■ Optimizing group synergies

- Enhancing the media value of Lococom ⇒ HOME’S(looking for a home)× Lococom(regional information)=Best tool for looking for housing
- Penetration of NFS (rent guarantee business) into society ⇒ lower damage deposits and key money paid to landlords and making it easier to move house =Increased users of HOME’S sites