

NEXT Co.,Ltd.

TSE 1st section 2120

Annual Report of Financial Statement

Second Quarter of the Year Ended March 31, 2012
(April 2011 to September 2011)

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

NEXT Co., Ltd
TSE 1st section 2120

Accumulated
Total

● 2nd Quarter Financial Results for the Year Ending March 31, 2012	•••pp.2-10
● Comparison with Business Forecast for 1H of FY03/2012	•••pp.11-13
● Revision of Business Forecast for the Year ending March 31, 2012	•••pp.14-22
● The Overseas Business Strategy of the NEXT Group	•••pp.23-24
● Company Credo and Business Principles	•••p.25
● Reference Materials	••• pp.26-40
Real Estate Information Service “HOME’S”	••• pp. 27-28
Reference Data	••• pp. 29-31
Approach toward smart devices	•••p32
The Overseas Business Strategy of the NEXT Group	•••pp.33-34
Future Business Development	••• pp. 35-36
Corporate Profile, Shareholder Composition and CSR report	••• pp. 37-39
IR Information Contact Details and “IR News”	••• p.40

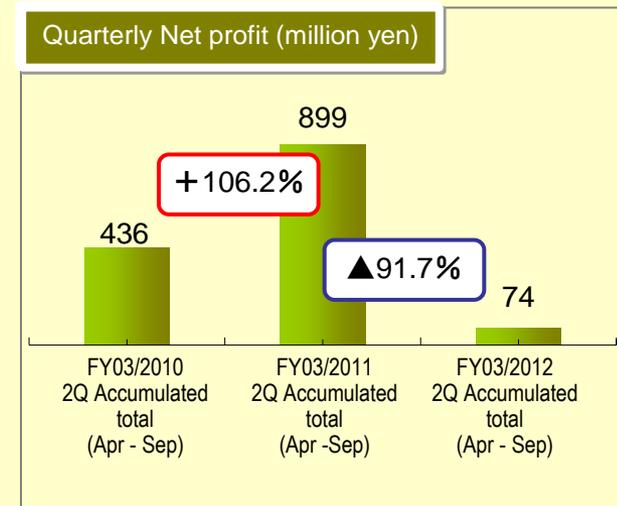
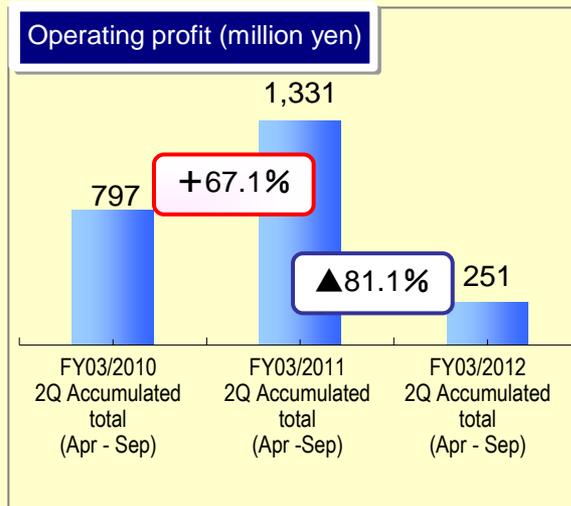
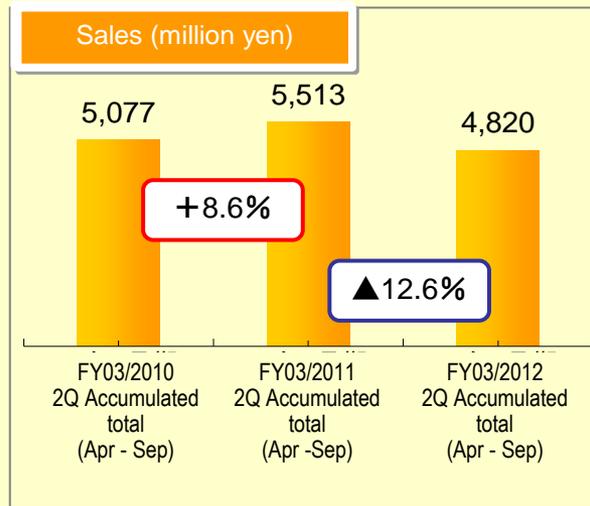
2nd Quarter Financial Results for the Year Ending March 31, 2012

April 2011 to September 2012

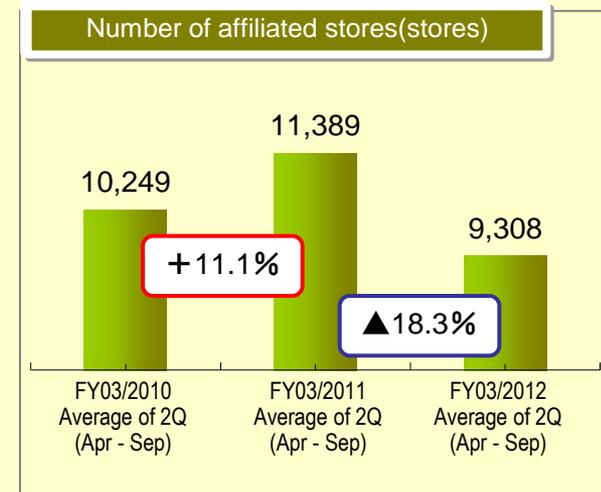
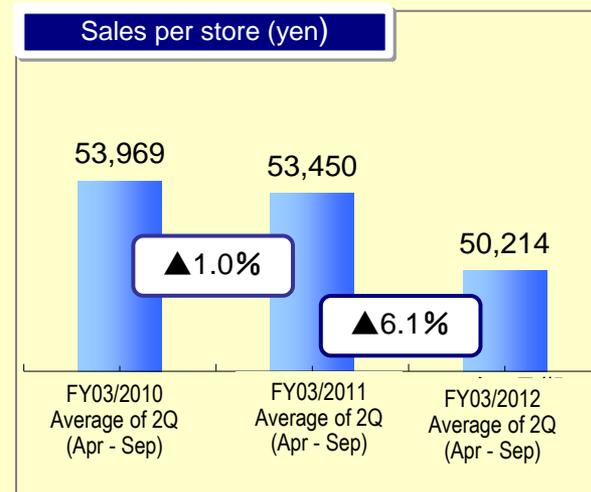
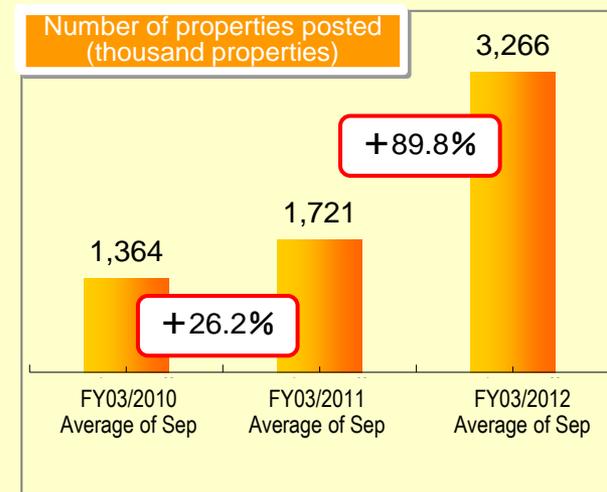
Today's Points

- Recorded a year-on-year decrease in sales and profits. Immense impact of “HOME’S Rental & Real Estate Trade”
Sales : 4,820 million yen (down 12.6% year-on-year)
Operating profit : 251 million yen (down 81.1% year-on-year)
Net profit : 74 million yen (down 91.7% year-on-year)
- The number of properties posted grew dramatically to an average of 3.26 million during September (+1.54 million year-on-year) due to the change in pricing method to the pay-per-inquiry fee structure. Largest number of properties to date.
- The number of inquiries for “HOME’S Rental & Real Estate Trade” failed to increase, which meant delays in recording profits. Sales decreased by 23.2% year-on-year.
- The local information service, “Lococom” has been markedly slow to record profits. Personnel will be downsized from the 2nd Half and services will continue with the minimum number of personnel.
- The Full-year Business Forecast has been revised. Starting November, the President/Representative Director has taken charge of “HOME’s,” the real estate information service, and has been reinforcing its operating structure.

Check Trend of consolidated business performance



Check "HOME'S Rental & Real Estate Trade" trend of major indicators



Point Sales declined 12.6% and SG&A expenses rose 8.7%, resulting in a decline in sales and profits.

Unit: million yen	FY03/2010 2Q (Apr-Sep)	FY03/2011 2Q (Apr-Sep)	FY03/2012 2Q (Apr-Sep)	Change (year-on-year)	Percentage change (year-on-year)
Sales	5,077	5,513	4,820	▲ 692	▲ 12.6% ⇒ See p. 7 for details
Cost of sales	120	95	128	+ 32	+ 34.3%
Selling, general & administrative (SG&A) expenses	4,159	4,085	4,440	+ 354	+ 8.7%
Personnel costs	1,755	1,781	1,653	▲ 128	▲ 7.2% *1
Advertising costs	943	979	1,154	+ 175	+ 17.9% *2
Operating expense	270	188	104	▲ 83	▲ 44.7% *3
Depreciation/amortization cost	175	159	243	+ 83	+ 52.5% *4
Allowances of uncollectible receivables and performance guarantee	71	67	15	▲ 52	▲ 77.4% *5
Other selling, general & administrative (AS&A) expenses	944	909	1,268	+ 359	+ 39.6% *6
Operating profit	797	1,331	251	▲ 1,080	▲ 81.1%
Net profit	436	899	74	▲ 825	▲ 91.7% *7
Operating profit margin (OPM)	15.7%	24.2%	5.2%	▲ 18.9p	—

* The guarantor operating business, from which the Company withdrew in the 2Q of FY ended March 31, 2011, recorded sales of 268 million yen, SG&A expenses of 248 million yen and operating profit of 20 million yen in the previous fiscal year.

*1 The average consolidated number of employees during the 2Q stood at 582 (a decrease of 3 year-on-year), including 23 new graduates (no change year-on-year). The guarantor operating business recorded personnel costs of 93 million yen (Average number of employees during the period: 66) in the previous fiscal year.

*2; In the real estate information services, costs for listing advertising and SEO processes contributing directly to attracting customers increased by 82 million yen. In the local information services, such costs rose by 54 million yen. Costs for new businesses increased by 37 million yen.

*3 Decrease of 42 million yen due to the withdrawal from the guarantor operating business

*4 Increase of 74 million yen due to the relocation of the head office and the depreciation of assets to be retired. Increase of 19 million yen in amortization of software due to the renewal of Lococom.

*5 Decrease of 56 million yen due to the withdrawal from the guarantor operating business

*6 Other AS&A expenses increased by 318 million yen due to the relocation of the head office, and 16 million yen due to the launch of new businesses.

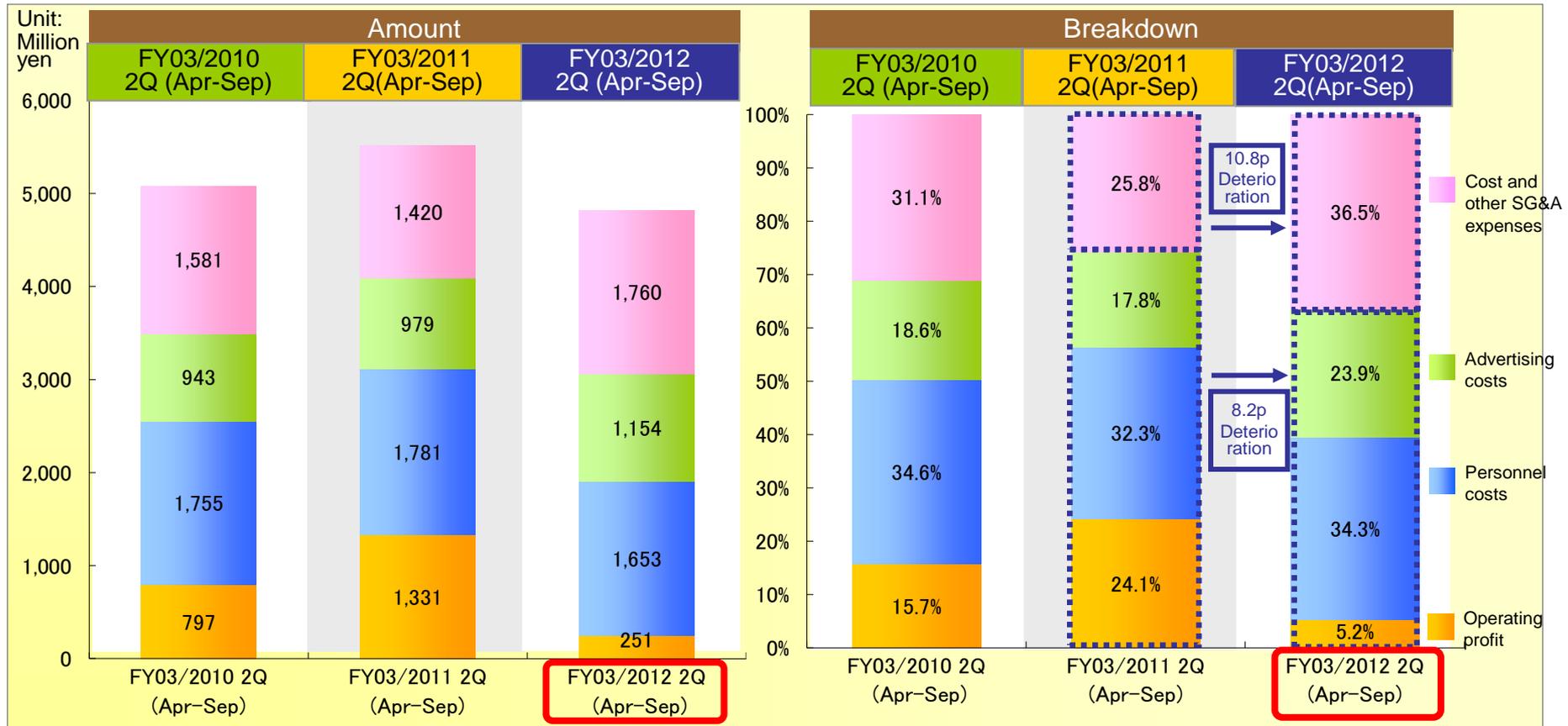
*7 In the previous fiscal year, the Company recorded extraordinary losses of 331 million yen (22 million yen in prior-year depreciation costs due to the recording of asset retirement obligations, 74 million yen in provision for relocation of the head office and 229 million as loss on sales of shares of NFS Co., Ltd.). In the fiscal year under review, the Company recorded an extraordinary loss of 113 million yen (113 million yen in impairment losses of software of Lococom Services).

2nd Quarter Financial Results for the Year Ending March 31, 2012

Trend of cost to sales ratio



Each ratio has worsened due to decreased sales and increased costs incurred in the relocation of the head office.



- In "Cost and other SG&A expenses ratio" (pink), despite the approx. 160 million yen decrease in expenses due to the withdrawal from the guarantor operating business, costs for relocation of the head office increased.
 - "Advertising costs ratio" (green) increased by 82 million yen in real estate information services and by 54 million yen in local information services, and decreased by 37 million yen in others.
 - "Personnel costs ratio" (blue) decreased due to the withdrawal from the guarantor operating business. Personnel costs decreased by 21 million in the real estate information services; increased by 81 million yen in the local information services; and decreased by 61 million yen in others.
- *As a basic rule, we intend to maintain a personnel costs to sales ratio of approx. 30% and an advertising costs to sales ratio of approx. 20%.

2nd Quarter Financial Results for the Year Ending March 31, 2012

Trend of sales by service



Sales decreased overall, as Other services failed to cover the decrease in sales of Rental & Real Estate Trade

Unit: Million yen	FY03/2010 2Q(Apr-Sep)	FY03/2011 2Q(Apr-Sep)	FY03/2012 2Q (Apr-Sep)	Change (year-on-year)	Percentage change (year-on-year)
Consolidated sales	5,077	5,513	4,820	▲ 692	▲ 12.6%
Real estate information services	4,721	5,215	4,776	▲ 439	▲ 8.4%
Rental & Real Estate Trade	3,319	3,651	2,804	▲ 847	▲ 23.2% *1
New Condominium	523	525	681	+ 156	+ 29.7% *2
New Houses	378	451	639	+ 187	+ 41.6% *3
Custom Built House and Renovation	199	243	266	+ 22	+ 9.4%
Renter's Network	145	164	185	+ 20	+ 12.7%
Others Note2	155	177	197	+ 20	+ 11.5%
Local information services business Note 3	15	16	14	▲ 2	▲ 12.6%
Real estate lease warrant business Note4	334	268	—	—	—
Others Note5	4	12	29	+ 17	+ 141.3% *4

Note 1: All inter-segment transactions have been offset and eliminated.

Note 2: "Others" in Real estate information services comprise "HOME'S Estimation for Relocation," "HOME'S Elderly Care Service" and HOME'S-derived businesses, among others.

Note 3: Local community services changed its name to Local information services. Sales from this segment comprise sales from "Lococom."

Note 4: With the sale of all shares in NFS Co., Ltd., our consolidated subsidiary, on August 2, 2010, we withdrew from the business concerned, which was excluded from the consolidated accounts starting from the second quarter of the year ended March 31, 2011.

Note5: "Others" comprise "MONEYMO," "eQOL Skincare" and "Casualty insurance agency business," among others.

*1: Sales decreased due to the change in the pricing method. Although the number of properties increased dramatically, it did not lead to the increase in inquiries. Cancellation of membership also increased due to the change in the pricing method.

*2: Sales of special products, including special feature pages were strong.

*3 : The number of houses posted increased by 36.1% year-on-year.

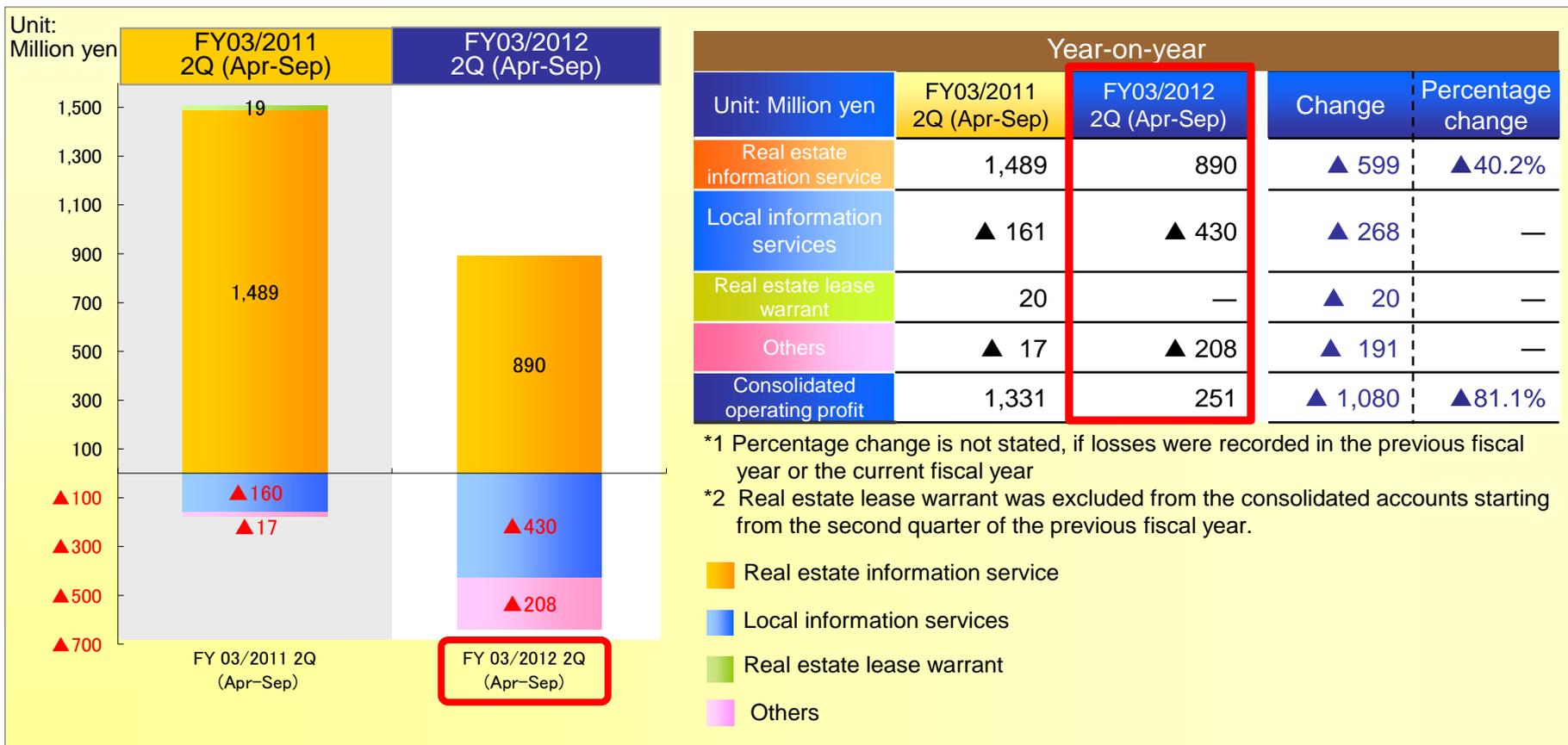
*4: MONEYMO and eQOL Skincare were launched in February 2011.

2nd Quarter Financial Results for the Year Ending March 31, 2012

Trend in P/L by segment

Point

Decreased profit in all segments due to decreased sales and increased costs from the relocation of the head office



- ↓ "Real estate information service" (orange) recorded a substantial fall in profits as a result of decreased sales of 439 million yen and increases in advertising costs and rent due to the relocation of the head office.
- ↓ "local information services" (blue) recorded a decrease in profits due to the increase in personnel and the implementation of various promotions intended to make this business profitable.
- ➡ "Real estate lease warrant" business" (green) after recording an operating profit of 20 million yen in the 1Q of FY 03/2011, recorded zero profits, as a result of the Company's withdrawal from the business. :
- ↓ "Others" (pink) recorded increased costs for the new businesses "MONEYMO" and "eQOL Skincare."



Assets decreased due to the decline in sales. The Company continued to have zero interest bearing debt.

Unit: Million yen	March 31, 2011	Sep. 30, 2011 [End 2Q FY03/2012]	Change	Percentage change	Main reasons for change
Assets	9,711	9,184	▲ 526	▲ 5.4%	Increase in cash: 1,820 million yen / Increase in current assets *1
Current assets	6,841	6,555	▲ 285	▲ 4.2%	Decrease in accounts receivable: 121 million yen / Decrease in current assets
Fixed assets	2,869	2,628	▲ 240	▲ 8.4%	Decrease in securities: 1,510 million yen / Decrease in current assets *2 Decrease of corporate taxes receivable: 359 million yen / Decrease in current assets
Software, etc.					117 million yen / Increase in fixed assets *3
Liabilities	1,595	1,107	▲ 488	▲ 30.6%	Accounts payable-other: 338 million yen / Decrease in current liabilities *4
Current liabilities	1,355	867	▲ 488	▲ 36.0%	Increase in accrued corporate tax and consumption tax: 58 million yen / Increase in current liabilities
Fixed liabilities	240	240	+ 0	+ 0.1%	Decrease in allowance for bonuses: 188 million yen / Decrease in current liabilities Interest bearing debt Zero
Net assets	8,115	8,077	▲ 38	▲ 0.5%	Decrease in accumulated income: 36 million yen / Decrease in net assets
Net assets per share	432.77 yen	425.82 yen	▲ 6.95	▲ 1.6%	

*Effective October 1, 2011, the Company conducted a 1:100 stock split. Consequently, net assets per sharer are calculated by dividing net assets by the total number of issued stocks after said split.

Goodwill amortization status	Unit: thousand yen					
	Total amount of goodwill	Beginning of period residual value	April to September 2011 amortization amount	Residual value	Number of months outstanding	Amortization completion date
The former Willnic	50,000	10,000	5,000	5,000	6 months	March 2012
The former Littel	216,738	216,738	21,673	195,065	54 months	March 2016

* Willnic Co., Ltd. and Littel Co., Ltd. were merged into the Company through absorption on July 1, 2010 and on April 1, 2011, respectively, with the Company as the surviving company

*1: Main reasons for increase in cash: Increase due to refunds of corporate tax and cancellation of Free Financial Fund (FFF) and decrease due to the payment of dividends.

*2: The main reason for decrease in securities: Cancellation of FFF

*3: Decrease due to the recording of impairment losses on Lococom

*4: The main reason for the decrease in accounts payable-other: Advertising listings and system usage fees decreased as the peak season came to an end.

2nd Quarter Financial Results for the Year Ending March 31, 2012

Consolidated cash flow

Point Balance of cash and cash equivalents at the end of the 2Q was 3,000 million yen; 5,000 million yen, if time deposits were included.

Unit: Million yen	Previous year FY03/2011 2Q (Apr-Sep)	【Current year】 FY 03/2012 2Q (Apr-Sep)	Change	Main items	Previous year FY03/2011 2Q (Apr-Sep)	【Current year】 FY 03/2012 2Q (Apr-Sep)
Operating CF	+ 632	+ 595	▲ 36	Profit before tax	1,005	153
				Depreciation/amortization cost	159	244
				Loss on impairment	—	113
				Loss on sale of stocks of affiliates	229	—
				Increase/decrease in accounts receivable	30	148
				Increase/decrease in accounts payable- other	▲ 50	▲ 302
				Corporate Tax	▲ 673	347
Investment CF	▲ 1,042	▲ 2,177	▲ 1,135	Acquisition of tangible fixed assets	▲ 92	▲ 30
				Acquisition of intangible assets	▲ 125	▲ 147
				Cash outflow due to depositing cash in time deposit	—	2,000
				Cash outflow due to sale of shares in subsidiary that involves a change in scope of consolidation (*1)	▲ 755	—
				Financial CF	▲ 124	▲ 107
Increase/decrease in cash and cash equivalents	▲ 534	▲ 1,690	▲ 1,155	(*1) Sales of shares in subsidiary refer to the transfer of the shares of NFS Co., Ltd.		
Balance of cash and cash equivalents	5,954	3,017 (*2)	▲ 2,936	(*2) 5,017 million yen, if time deposits are included.		

Comparison with Business Forecast for 1H
of FY03/2012

Comparison with Business Forecast for 1H of FY03/2012

Trend of operating P/L



Operating profit secured by compensating for decreased sales through efforts to cut costs and reexamining investments in new businesses

Unit: Million yen	Actual FY03/2012 1H (Apr-Sep)	Forecast FY03/2012 1H (Apr-Sep)	Forecast/Actual Comparison for 1H of FY03/2012	
			Variance	Variance ratio
Sales	4,820	4,966	▲ 146	▲ 3.0%
Cost of sales	128	128	▲ 0	▲ 0.1%
Selling, general & administrative (SG&A) expenses	4,440	4,991	▲ 551	▲ 11.0%
Personnel costs	1,653	1,846	▲ 192	▲ 10.4%
Advertising costs	1,154	1,202	▲ 47	▲ 3.9%
Operating expense	104	179	▲ 74	▲ 41.9%
Depreciation/amortization cost	243	251	▲ 7	▲ 3.1%
Allowance of uncollectible receivables and performance guarantee	15	23	▲ 8	▲ 35.4%
Other SG&A expenses	1,268	1,488	▲ 220	▲ 14.8%
Operating profit	251	▲ 153	+ 404	—
Net profit	74	▲ 115	+ 190	—
Operating profit margin	5.2%	▲ 3.1%	+ 8.3p	—

⇒ See next page

*1

*2

*1: Decrease as a result of unused operating expenses in the amount of 15 million yen in Real estate information services, 7 million yen in local information services and 12 million yen in corporate.

*2: Approximately 50 million yen in recording of expenses in different reporting periods and overall cost reductions



Although Other services performed strongly, sales from Rental & Real Estate Trade fell short of predictions.

Unit: Million yen		Actual FY03/2012 1H (Apr-Sep)	Forecast FY03/2012 1H (Apr-Sep)	Forecast/Actual Comparison for 1H of FY03/2012	
				Variance	Variance ratio
Consolidated sales		4,820	4,966	▲ 146	▲ 3.0%
Real estate information services		4,776	4,823	▲ 46	▲ 1.0%
Rental & Real Estate Trade		2,804	2,989	▲ 184	▲ 6.2% *1
New Condominium		681	701	▲ 19	▲ 2.8%
New Houses		639	560	+ 78	+ 14.0% *2
Custom Built House and Renovation		266	248	+ 18	+ 7.5%
Renter's Network		185	182	+ 3	+ 1.9%
Others		Note 2 197	140	+ 56	+ 40.3%
Local information services		Note 3 14	69	▲ 55	▲ 79.5% *3
Others		Note 5 29	74	▲ 44	▲ 59.9% *4

Note 1: All inter-segment transactions have been offset and eliminated.
 Note 2: Others in Real estate information services comprise "HOME'S Estimation for Relocation," "HOME'S Elderly Care Service" and HOME'S-derived businesses, among others.
 Note 3: Local community services changed its name to Local information services. Sales from this segment comprise sales from "Lococom."
 Note 4: With the sale of all shares in NFS Co., Ltd., our consolidated subsidiary, on August 2, 2010, we withdrew from the business concerned, which was excluded from the consolidated accounts starting from the second quarter of the year ended March 31, 2011.
 Note5: "Others" comprise "MONEYMO," "eQOL Skincare" and "Casualty insurance agency business," among others.

*1: Although the number of properties increased drastically, the number of inquiries fell short of predictions.
 *2: The number of properties posted increased by 36.1% year-on-year, resulting in sales that exceeded predictions.
 *3: Although we successfully cultivated new stores, the number of users failed to increase and sales fell short of predictions.
 *4: The number of customers from the MONEYMO site, the number of insurance consultations and the number of requests for materials fell short of predictions.

**Revision of Business Forecast
for the Year ending March 31, 2012**

Revision of Business Forecast for the Year ending March 31, 2012

Revision Summary



Business forecasts for sales, operating profit and net profit revised downward by 15.7%, 58.7% and 69.9%, respectively

Unit: million yen	【Reference】 FY03/2011 (Actual)	Previously announced forecast FY03/2012	Revised forecast FY 03/2012	Change	Percentage change
Sales	10,738	11,739	9,899	▲ 1,840	▲ 15.7% *1
Cost of sales	229	287	327	+ 39	+ 13.7%
Selling, general & administrative (SG&A) expenses	8,759	10,079	9,004	▲ 1,074	▲ 10.7%
Personnel costs	3,507	3,524	3,048	▲ 475	▲ 13.5% *2
Advertising costs	2,460	2,568	2,647	+ 79	+ 3.1% *3
Operating expense	313	481	266	▲ 214	▲ 44.6% *3
Depreciation/amortization cost	367	514	485	▲ 28	▲ 5.5%
Allowances of uncollectible receivables and performance guarantee	81	40	0	▲ 40	▲ 99.2%
Other selling, general & administrative (AS&A) expenses	2,028	2,950	2,555	▲ 394	▲ 13.4% *4
Operating profit	1,749	1,372	567	▲ 804	▲ 58.7% *5
Net profit	1,107	773	233	▲ 540	▲ 69.9%
Operating profit margin (OPM)	16.3%	11.7%	5.7%	▲ 6.0p	—

*1: For sales by segment/services, see page 27.

*2: Additional recruitment of personnel, which was planned for the new businesses and mainly in the Local information services "Lococom," will be cut back.

*3: In order to maximize sales, a portion of the costs that were cut back will be injected into advertising costs of the Real estate information services.

*4: We will reexamine investments in businesses and make company-level efforts to cut costs.

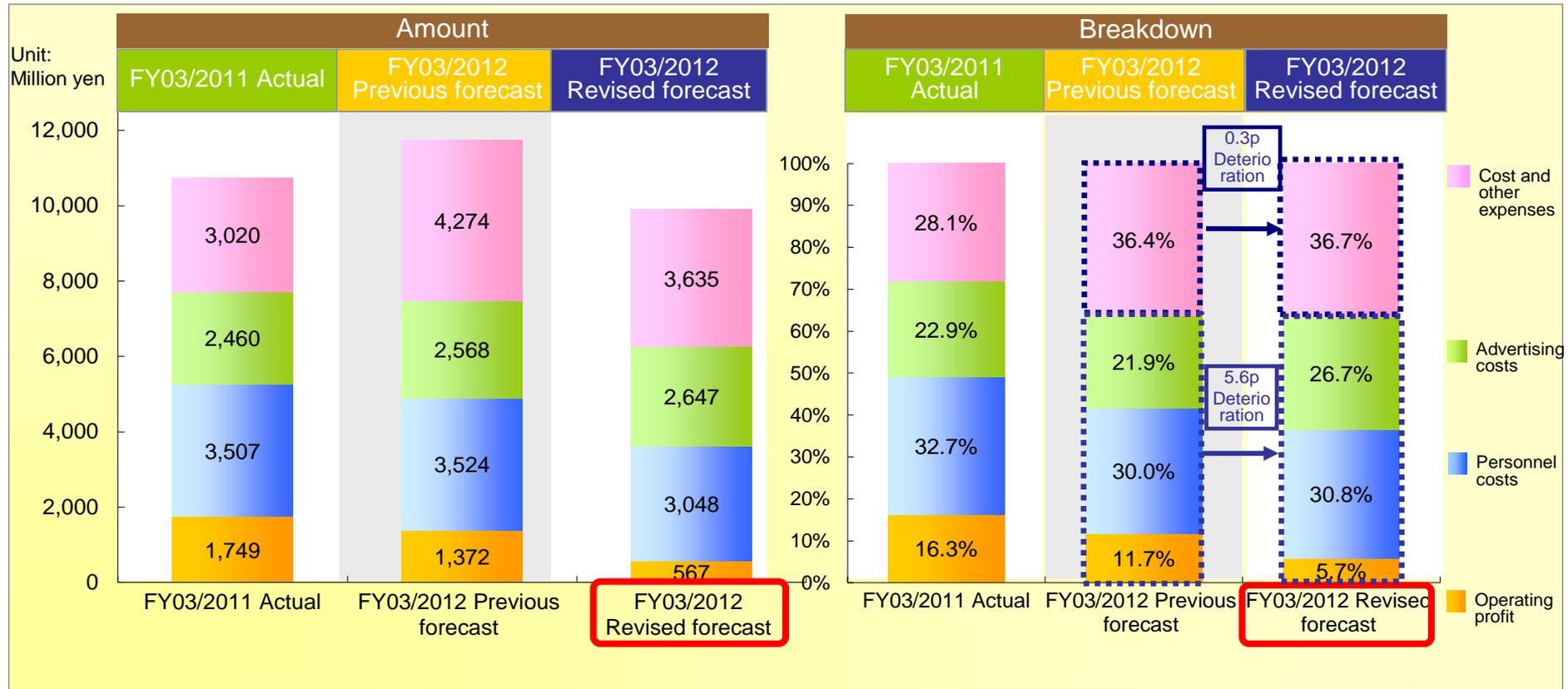
*5: Although a decrease in sales is predicted, recording of profits is expected through cost cuts and other efforts.

Revision of Business Forecast for the Year ending March 31, 2012

Trend of cost to sales ratio



While cost cuts and reexamination of investments are planned, the operating profit margin is expected to fall by 6.0% due to the drastic decrease in sales.



- ➡ : "Cost and other expenses ratio" (pink) is likely to deteriorate by 0.3p. Expenses will be held back through cost cuts and reexamination of investments.
 - ⬇️ : "Advertising costs ratio" (green) is likely to deteriorate by 4.8p. Despite the decrease in sales, a slight increase in advertising costs is planned in order to maximize sales.
 - ➡ : "Personnel costs ratio" (blue) is likely to deteriorate by 0.8p. Personnel costs will be held back by discontinuing the personnel increases at "Lococom," the local information services and by cutting back on personnel.
 - ⬇️ : "Operating profit ratio" (orange) is likely to deteriorate by 6.0p. Although cost cuts and reexamination of investments are planned, operating profit ratio is expected to deteriorate as a result of a drastic decrease in sales.
- *As a basic rule, we intend to maintain a personnel costs to sales ratio of approx. 30% and an advertising costs to sales ratio of approx. 20%.

Revision of Business Forecast for the Year ending March 31, 2012

Trend of sales by service



13.5% decline in Rental & Real Estate Trade, 97.2% decline in local information services expected

Unit: Million yen	【Reference】 FY03/2011 (Actual)	Previously announced forecast FY03/2012	Revised forecast FY 03/2012	Change	Percentage change
Consolidated sales	10,738	11,739	9,899	▲ 1,840	▲ 15.7%
Real estate information services	10,407	10,502	9,755	▲ 746	▲ 7.1%
Rental & Real Estate Trade	7,096	6,596	5,708	▲ 888	▲ 13.5% *1
New Condominium	1,131	1,505	1,348	▲ 157	▲ 10.5% *2
New Houses	994	1,149	1,318	+ 169	+ 14.7%
Custom Built House and Renovation	501	515	574	+ 58	+ 11.4%
Renter's Network	331	391	382	▲ 8	▲ 2.3%
Others	Note 2 351	344	424	+ 79	+ 23.1%
Local information services business	Note 3 35	928	26	▲ 902	▲ 97.2% *3
Real estate lease warrant business	Note 4 268	—	—	—	—
Others	Note 5 26	308	117	▲ 190	▲ 61.8%

Note 1: All inter-segment transactions have been offset and eliminated.

Note 2: "Others" in real estate information services comprise "HOME'S Estimation for Relocation," "HOME'S Elderly Care Service" and HOME'S-derived businesses, among others.

Note 3: Local Community Services changed its name to Local information services. Sales from this segment comprise sales from "Lococom."

Note 4: With sale of all shares in NFS Co., Ltd., our consolidated subsidiary, on August 2, 2010, we withdrew from the business concerned, which was excluded from the consolidated accounts starting from the second quarter of the year ended March 31, 2011.

Note5: "Others" comprise "MONEYMO," "eQOL Skincare" and "Casualty insurance agency business," among others.

*1: Although the number of properties increased drastically, the number of inquiries fell short of predictions and consequently forecasted sales have undergone a downward revision.

*2: Although sales are expected to increase compared to the previous year due to strong sales of special products, including special feature page, plans are expected to fall short of predictions.

*3: Forecast for sales has undergone a downward revision due to the number of coupon users falling drastically short of predictions.

Point Dividend ratio of 15% starting from this year. The dividend will be adjusted to 1.90 yen, in line with the adjustment of net profit.

Item	Previous forecast (August 19, 2011)	Revised forecast
Annual dividend (Forecast)	6.20 yen	1.90 yen
Consolidated net profit	773 million yen	233 million yen
Dividend ratio	15.0%	15.3%

! Check

Our basic policy on profit allocation

We strive to develop our business aggressively and grow profit continuously. At the same time, we identify the return of profits to shareholders as one of the important corporate management policies while focusing on “retained earnings” and “investment for future growth” that are aimed at enhancing and strengthening the Company’s financial structure.

With respect to dividend, it is our basic policy to flexibly allocate the fruit of our endeavors according to the results of each accounting period in consideration of our medium- to long-term business plan.

* The amount of “ordinary dividend” is subject to change according to the actual consolidated net profit (dividend ratio of 15%)



Although the number of properties has been increasing, the number of inquiries has failed to grow.

	Current Status	Outcome	Issues/Measures
Number of properties	<ul style="list-style-type: none"> Number of properties has been increasing September averaged 3.26 million properties (highest on record) 	○	<ul style="list-style-type: none"> Improved searches due to the increase in number of properties Thoroughly publicize the fact the Company has the largest number of properties in Japan.
Number of Unique Users (Number of UU)	<ul style="list-style-type: none"> Number of Unique Users has remained approximately the same. 	△	<ul style="list-style-type: none"> Conduct efficient advertising. Reinforce capture of smart phone users. Expand the reach by using such media as social media (SNS).
Affiliated stores	<ul style="list-style-type: none"> Number of withdrawals has bottomed out. 	△	<ul style="list-style-type: none"> Propose effective posting methods. Continue activities for better understanding of the pay-per-inquiry fee structure.
Number of inquiries	<ul style="list-style-type: none"> Despite ongoing upgrades to the website, the conversion rate (leading to inquiries) has not improved. 	×	<ul style="list-style-type: none"> Continue with meticulous revamping of the website.
Sales	<ul style="list-style-type: none"> Number of inquiries fell short of the plan. Sales of optional products fell short of predictions. 	×	<ul style="list-style-type: none"> Maximize the number of inquiries. Expand sales of optional products toward the peak season.

Increase exposure on SNS and various devices.
 Reinforce follow-ups on customers. Expand sales of optional products.

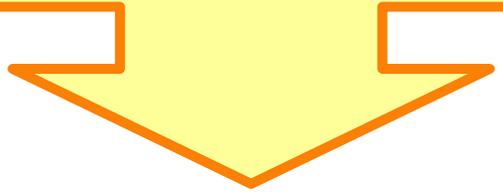
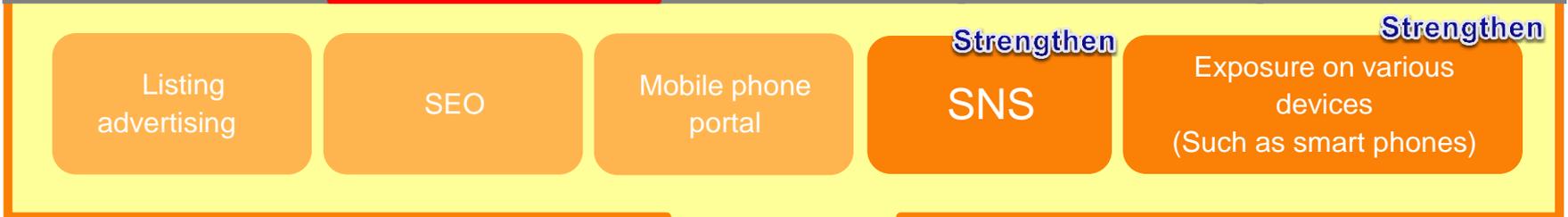


Thoroughly publicize the fact that the Company has 2-3 times as many property postings as other companies.

*Number of rental and real estate postings on major real estate portal sites (Findings by the Company as of beginning of October 2011)

(Unit : million properties)

Name of company	The Company	Company A	Company B	Company C
Number of property postings	3.37	1.22	1.68	1.25

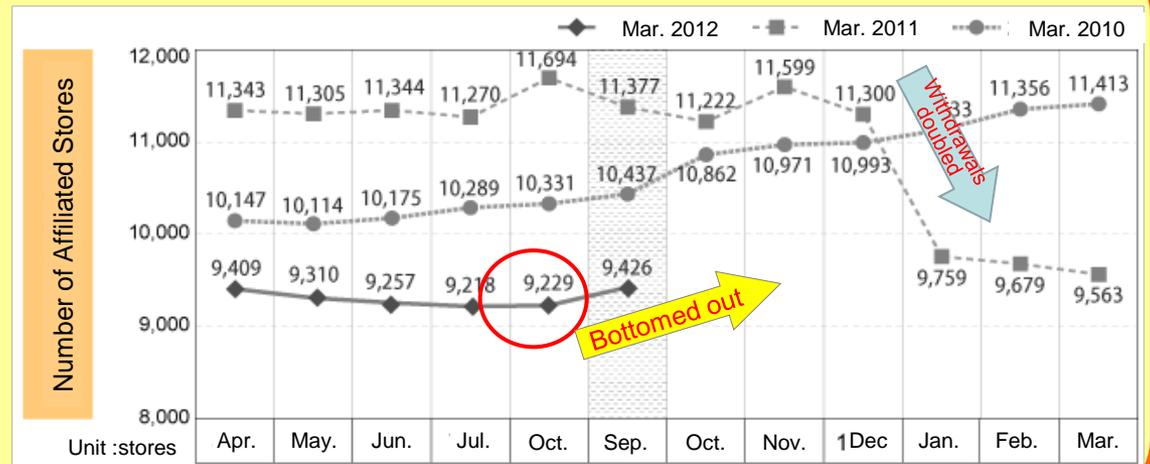


In order to appeal to the customers with Japan's largest number of properties posted, advertising methods will be expanded and efforts will be made to increase the Company's visibility among as many users as possible.



10 months since the transition to the pay-per-inquiry fee structure. Starting to win the understanding of the affiliate stores.

- Number of withdrawals of affiliated stores has bottomed out.
- We are also starting to win the understanding of the affiliate stores toward the pay-per inquiry fee structure.



(Excerpt from announcement on "HOME'S" business performance for September FY03/2012)

【Comments of affiliate stores】

(Company A)
Previously, we only posted properties, which were expected to receive responses; but now we can post all properties under management, and responses have increased. More than ever before, nearly 30% more users are coming to the stores saying they saw that property on "HOME'S." We are expanding exposure of our high priority properties by using the "Special advertising point" option.

(Company B)
As other companies are also able to post large numbers of properties, there is a greater sense of differentiation. We are more focused on the quality of information, we are becoming more creative with the remarks columns and copies, and improving content.

(Company C)
As a result of being able to post all properties, we can appeal to the users regarding the number of properties being handled in the region, while at the same time appeal to the owners, showing them how many properties we are managing.

(Company D)
Since "response = payment," there is a stronger awareness toward closing contracts within the company.

(Excerpt from an article in Shukan Jutaku dated October 31, 2011)

Revision of Business Forecast for the Year ending March 31, 2012



Although this business has been slow to post profits, services will continue, in preparation for the growth of the Online to Offline (O2O) market

	Current Status	Outcome	Issues/Measures
Number of check-ins	<ul style="list-style-type: none"> The act of "Check-in," which utilizes location information is not catching on and growth is slower than predicted. 	<p><u>Total of 51,958 times</u> by the end of Sep.</p>	<ul style="list-style-type: none"> Continue with the low-cost, tie-up promotion Increase the number of daily users.
Number of word-of-mouths	<ul style="list-style-type: none"> Although the number of word-of-mouths increased by approx. 50,000 in 6 months, and a certain level of success has been achieved, it has not reached planned levels. 	<p>End of Mar. <u>16,000</u> → End of Sep. <u>21,000</u> (+28.5%)</p>	<ul style="list-style-type: none"> Increase the number of word-of-mouths by collaborating with social media including, Twitter, Facebook, and mixi.
Number of application downloads	<ul style="list-style-type: none"> iPhone APPs were launched on April 21. Over 100,000 downloads in under 3 months. 	<p>Total of <u>114,586</u> by the end of Sep.</p>	<ul style="list-style-type: none"> Conduct ongoing updates. Improve convenience for smart phone users.
Number of stores	<ul style="list-style-type: none"> Through the increase of sales personnel and collaboration with other companies, the number of registered stores has increased drastically and targets have been achieved. 	<p><u>1,972 stores</u> by the end of Sep. (Achievement rate of 160%)</p>	<ul style="list-style-type: none"> Conduct efficient capture of stores using agency measures.
Sales	<ul style="list-style-type: none"> Not enough stores that issue coupons. Procedures for using coupons are complex. Slow to record profit. 	<p><u>14 million yen</u> by end of Sep.</p>	<ul style="list-style-type: none"> As the method of using the GPS-linked coupons was difficult, the pay-per-inquiry was abandoned and a monthly standard fee was adopted.

Concentrated injection of human resources in 1 H, full-renewals and new store cultivations were conducted.

Personnel will be decreased to 1/5 and the operations will be maintained with a minimum number of personnel

The Overseas Business Strategy of the NEXT Group



As the first step toward becoming a Global Company, preparations are underway to commence businesses in Thailand and China.



1. Kingdom of Thailand

Business commencement date:
Scheduled for January 2012
Type of company: Subsidiary (99.9%)
Service to be provided: Real estate information service

Established subsidiary(HOME'S PROPERTY MEDIA)

A number of employees have been dispatched to Thailand to prepare for the commencement of business

Commencement of real estate information service in Thailand (planned)



2. People's Republic of China

Business commencement date:
Scheduled for January 2012
Type of company: Equity method affiliate (39% equity investment planned)
Service to be provided: Real estate information service

Commencement of real estate information service in China (planned)

•Acquisition of Real Estate Mobile Inc. ("REM") shares (planned)
•Joint equity investments in Next Property Media Holdings Ltd. with REM (planned)

Company Credo

Altruism

“We would like to make everyone happy”.
This idea will aim at all the directions.

Business Principles of NEXT

We will always go forward to build a
social mechanism through which more
people can receive
“security” and “pleasure”



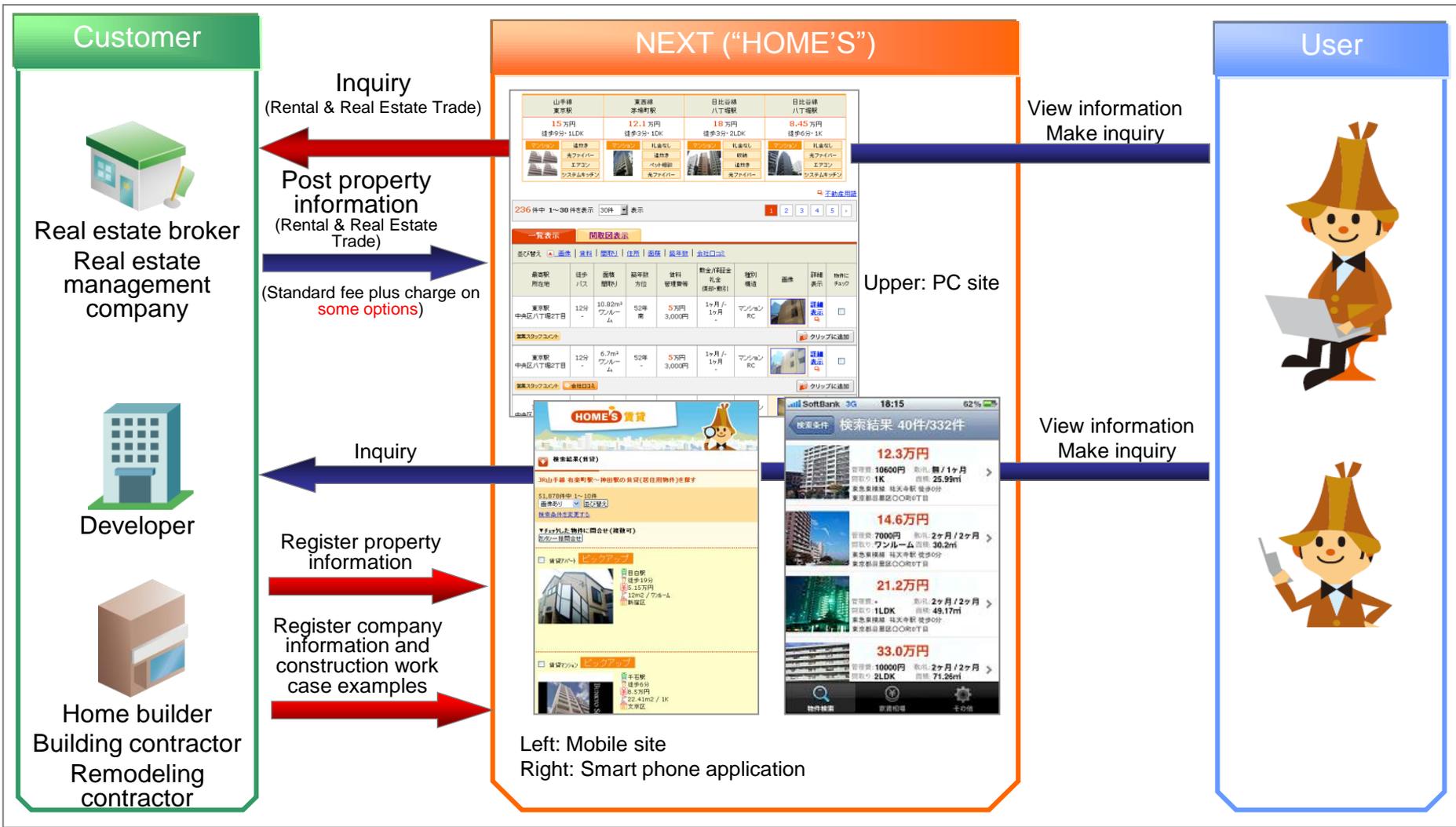
Reference Materials

● Reference Materials ...pp.26-40

Real Estate Information Service "HOME'S"	... pp. 27-28
Reference Data	... pp. 29-31
Approach toward smart devices	... p. 32
The Overseas Business Strategy of the NEXT Group	... pp. 33-34
The concept of our future business development	... pp. 35-36
Corporate Profile, Shareholder Composition and CSR report	... pp. 37-39
IR Information Contact Details and "IR News"	... p.40

Real Estate Information Service “HOME’S”

Point → “HOME’S” business model: Fee structure based on the number of inquiries



Free Charge

Real Estate Information Service "HOME'S"

Point → Determined a new pricing structure of "HOME'S" to be implemented as of January 2011 to pursue advance of property coverage additionally.

! Check

Standard membership fee is reduced and objects posted is free of charge. Pricing scheme will be changed to service fee of charging on inquiry

Revision

Old major pricing structure

- Monthly standard fee
15,000 yen
- Additional fee for posting
+30 objects 15,000 yen -
- Optional products
Listed per product

New pricing structure (Method of charging on inquiry)

- Monthly standard fee
10,000 yen
- Additional fee for posting
None (Basically, there is no limit in the number of objects posted)
- Price of charging on inquiry (per e-mail/telephone call)
Rent: 2.0 to 5.5% of the rent (*1)
Sales/Investment: 0.01 to 0.05% of the property price (*2)
- Optional products Listed per product (no change)

- *1 5.5% for 1 to 15, 4.0% for 16 to 60, and 2.0% for 61 and over.
*2 0.05% for 1 to 5, 0.02% for 6 to 20, and 0.01% for 21 and over

! Check

Aiming at further improvement of property coverage

Point

1. It will be easier to post properties with free charge for posting.
2. It will be easier to entry and continue the use by reducing the standard price.
3. The price gap in the community will be leveled off by changing the price structure corresponding to the rent / price of the property.

Reference Data

Profit and loss statement / Number of Properties Posted and Affiliated Stores of Rental & Real Estate Trade

Unit: million yen	Previous year FY03/2011 2Q (Apr-Sep)		Current year FY03/2011 2Q (Apr-Sep)		Comparison	
	Amount	share	Amount	share	Change	Percentage change
Consolidated sales	5,513	100.0%	4,820	100.0%	△692	△12.6%
Real estate information services	5,215	94.6%	4,776	99.1%	△439	△8.4%
Rental & Real Estate Trade	3,651	66.2%	2,804	58.2%	△847	△23.2%
New Condominium	525	9.5%	681	14.1%	+156	+29.7%
New Houses	451	8.2%	639	13.3%	+187	+41.6%
Custom Built House and Renovation	243	4.4%	266	5.5%	+22	+9.4%
Renter's Network	164	3.0%	185	3.8%	+20	+12.7%
Others	177	3.2%	197	4.1%	+20	+11.5%
Local information services business	16	0.3%	14	0.3%	△2	△12.6%
Real estate lease warrant business	268	4.9%	0	0.0%	△268	△100.0%
Others	12	0.2%	29	0.6%	+17	+141.3%
Cost of sales	95	1.7%	128	2.7%	+32	+34.3%
Selling, general & administrative (SG&A) expenses	4,085	74.1%	4,591	95.2%	+505	+12.4%
Personnel costs	1,781	32.3%	1,804	37.4%	+22	+1.3%
Advertising costs	979	17.8%	1,154	23.9%	+175	+17.9%
Operating expense	188	3.4%	104	2.2%	△83	△44.7%
Depreciation/amortization cost	159	2.9%	243	5.0%	+83	+52.5%
Allowances of uncollectible receivables and performance guarantee	67	1.2%	15	0.3%	△52	△77.4%
Other selling, general & administrative (AS&A) expense	909	16.5%	1,268	26.3%	+359	+39.6%
Operating profit	1,331	24.1%	100	2.1%	△1,231	△92.4%
Net profit	899	16.3%	△14	△0.3%	△914	△101.7%

Unit : properties	Sept. 30, 2010	Sept. 30, 2011	Comparison	
	End 2Q FY03/2011	End 2Q FY03/2012	Change	Percentage change
Number of Properties Posted	1,712,390	3,253,239	+1,540,849	+90.0%
Hokkaido & Tohoku	75,955	169,501	+93,546	+123.2%
North Kanto	66,095	100,437	+34,342	+52.0%
Capital Region	917,814	1,378,973	+461,159	+50.2%
Hokuriku & Koshinetsu	29,291	66,639	+37,348	+127.5%
Tokai	134,258	303,786	+169,528	+126.3%
Kinki	356,552	879,335	+522,783	+146.6%
Chugoku	30,204	108,195	+77,991	+258.2%
Shikoku	18,140	62,777	+44,637	+246.1%
Kyushu & Okinawa	84,081	183,596	+99,515	+118.4%

Unit : stores	Sept. 30, 2010	Sept. 30, 2011	Comparison	
	End 2Q FY03/2011	End 2Q FY03/2012	Change	Percentage change
Number of Affiliated Stores	11,080	9,426	△1,654	△14.9%
Hokkaido & Tohoku	242	234	△8	△3.3%
North Kanto	253	236	△17	△6.7%
Capital Region	7,719	6,319	△1,400	△18.1%
Hokuriku & Koshinetsu	150	152	+2	+1.3%
Tokai	405	334	△71	△17.5%
Kinki	1,807	1,726	△81	△4.5%
Chugoku	125	106	△19	△15.2%
Shikoku	94	97	+3	+3.2%
Kyushu & Okinawa	285	222	△63	△22.1%

Unit : yen	Sept. 30, 2010	Sept. 30, 2011	Comparison	
Price of Affiliated Stores	End 2Q FY03/2011	End 2Q FY03/2012	Change	Percentage change
	54,556	50,681	△3,875	△7.1%

[Consolidated] Profit and loss statement

Unit: million yen	FY03/2011				FY03/2012	
	1Q	2Q	3Q	4Q	1Q	2Q
Consolidated sales	2,899	2,613	2,584	2,640	2,357	2,462
Real estate information services	2,612	2,603	2,568	2,623	2,337	2,438
Rental & Real Estate Trade	1,843	1,808	1,750	1,693	1,398	1,405
New Condominium	258	267	279	326	320	361
New Houses	220	231	256	286	304	335
Custom Built House and Renovation	123	120	119	138	129	137
Renter's Network	86	78	79	87	89	95
Others	80	97	82	91	94	103
Local information services business	8	7	9	9	5	9
Real estate lease w warrant business	268	—	—	—	—	—
Others	9	2	7	6	14	14
Cost of sales	46	49	59	73	58	70
Selling, general & administrative (SG&A) expenses	2,162	1,923	2,076	2,597	2,305	2,285
Personnel costs	943	838	867	857	911	742
Advertising costs	454	525	517	963	567	587
Operating expense	107	80	71	53	50	53
Depreciation/amortization cost	81	77	83	123	119	124
Allowances of uncollectible receivables and performance guarantee	56	10	3	10	2	13
Other selling, general & administrative (AS&A) expense	518	390	532	587	654	614
Operating profit	690	641	448	△30	△5	257
Net profit	296	603	253	△45	△11	85
Operating profit margin	23.8%	24.5%	17.3%	△1.1%	△0.3%	10.5%

[Unconsolidated] Profit and loss statement

Unit: million yen	FY03/2011				FY03/2012	
	1Q	2Q	3Q	4Q	1Q	2Q
Sales	2,411	2,535	2,505	2,553	2,267	2,366
Real estate information services	2,402	2,524	2,488	2,536	2,247	2,342
Rental & Real Estate Trade	1,843	1,808	1,750	1,693	1,398	1,405
New Condominium	258	267	279	326	320	361
New Houses	220	231	256	286	304	335
Custom Built House and Renovation	—	120	119	138	129	0
Others	80	97	84	91	94	240
Local information services business	9	7	9	9	5	9
Others	0	2	7	6	14	14
Cost of sales	34	40	51	63	49	61
Selling, general & administrative (SG&A) expenses	1,765	1,870	2,021	2,532	2,245	2,224
Personnel costs	772	807	834	823	873	703
Advertising costs	423	525	517	962	567	587
Operating expense	52	77	69	51	48	51
Depreciation/amortization cost	69	72	76	116	127	119
Allowances of uncollectible receivables and performance guarantee	0	9	3	10	2	12
Other selling, general & administrative (AS&A) expense	447	377	518	568	626	599
Operating profit	611	624	433	△42	△27	231
Net profit	307	8	245	△49	△21	73
Operating profit margin	25.4%	24.6%	17.3%	△1.7%	△1.2%	9.8%

[Consolidated] Profit and Loss statement per segments

Unit: million yen	FY03/2011				FY03/2012	
	1Q	2Q	3Q	4Q	1Q	2Q
Consolidated sales	2,899	2,613	2,584	2,640	2,357	2,462
Real estate information services	2,612	2,603	2,568	2,623	2,337	2,438
Local information services business	8	7	9	9	5	9
Real estate lease w warrant business	268	—	—	—	—	—
Others	9	2	7	6	14	14
Operating profit	690	641	448	△30	△5	106
Real estate information services	769	720	566	117	307	452
Local information services business	△91	△70	△70	△83	△215	△227
Real estate lease w warrant business	20	—	—	—	—	—
Others	△8	△8	△47	△63	△97	△118
Operating profit margin	23.8%	24.5%	17.3%	△1.1%	△0.3%	4.3%
Real estate information services	29.5%	27.7%	22.1%	4.5%	13.1%	18.6%
Local information services business	—	—	—	—	—	—
Real estate lease w warrant business	7.7%	—	—	—	—	—
Others	—	—	—	—	—	—

【Number of Apartments for Sales(annual)】

Source:Real Estate Economic institute Co.LTD

	2006	2007	2008	2009	2010	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11
Capital Region	74,463	61,021	43,733	36,376	44,535	1,372	3,468	3,685	2,318	3,914	3,441	4,073	2,306	3,713
year-on-year	△11.5%	△18.1%	△28.3%	△16.8%	+22.4%	△13.5%	+24.9%	+0.0%	△27.9%	+3.6%	△32.9%	△1.3%	+1.7%	+16.7%
Kinki	30,146	30,219	22,744	19,784	21,716	1,301	1,501	1,719	1,116	1,780	1,888	1,560	1,282	1,957
year-on-year	△8.8%	+0.2%	△24.7%	△13.0%	+9.8%	△13.6%	+4.3%	+2.1%	△19.8%	+1.0%	△22.9%	△18.2%	△23.9%	△7.3%
Other	51,257	42,430	31,560	23,435	18,450									
year-on-year	+2.0%	△17.2%	△25.6%	△25.7%	△21.3%									
Nationwide	155,866	133,670	98,037	79,595	84,701									
year-on-year	△6.9%	△14.2%	△26.7%	△18.8%	+6.4%									

【Trend of Price for Apartments(annual)】

Source:Real Estate Economic institute Co.LTD

unit:ten thousand yen	2006	2007	2008	2009	2010	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11
Capital Region	4,200	4,644	4,775	4,535	4,716	4,238	4,717	4,674	4,663	4,719	4,507	4,558	5,116	4,265
year-on-year	+2.2%	+10.6%	+2.8%	△5.0%	△4.0%	+2.4%	△1.2%	△7.8%	+1.0%	+1.2%	△4.0%	△3.7%	+15.6%	△15.1%
Kinki	3,380	3,478	3,513	3,411	3,452	3,484	3,507	3,378	3,672	3,496	3,419	3,582	2,982	3,150
year-on-year	+6.8%	+2.9%	+1.0%	△2.9%	+1.2%	△3.8%	+7.4%	+9.3%	+1.2%	△1.5%	+0.6%	+4.4%	△15.0%	△11.2%
Nationwide	3,560	3,813	3,901	3,802	4,022									
year-on-year	+2.0%	+7.1%	+2.3%	△2.5%	+5.8%									

【New build properties(annual)】

Source:Ministry of Land, Infrastructure, Transport and Tourism

	2006	2007	2008	2009	2010	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11
House for rent	537,943	430,867	444,747	311,463	291,840	23,989	20,840	21,763	22,163	20,695	26,121	30,464	28,372	19,395
year-on-year	+3.9%	△19.9%	+3.2%	△30.0%	△6.3%	△11.3%	△3.8%	△9.5%	△9.3%	△4.9%	5.0%	+18.5%	9.8%	△18.2%
Apartment house	241,826	159,685	164,623	67,382	97,757	10,435	9,420	8,670	10,812	10,006	8,812	9,785	10,694	9,059
year-on-year	+4.8%	△34.0%	+3.1%	△59.1%	+45.1%	+31.1%	+103.9%	△1.3%	+11.8%	+138.1%	+47.9%	+79.6%	+61.6%	△13.9%
House	138,394	121,163	106,619	95,294	113,427	9,377	9,382	9,324	9,413	8,796	10,203	10,375	10,990	9,396
year-on-year	+0.4%	△12.5%	△12.0%	△10.6%	+19.0%	+14.6%	+12.7%	+9.6%	+12.6%	△1.8%	+5.6%	+7.8%	+10.8%	△0.9%
Owned properties	355,700	311,803	310,664	286,993	308,517	22,299	22,126	22,863	23,554	23,528	26,931	32,382	31,039	24,978
year-on-year	+0.9%	△12.3%	△0.4%	△7.6%	△7.5%	+5.5%	+6.0%	+4.0%	+0.2%	△2.9%	△2.6%	+19.1%	+6.9%	△9.7%

【Internal migrants(annual)】

Source:Ministry of Internal Affairs and Communications

unit:perons	2006	2007	2008	2009	2010	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11
Internal migrants	5,564,346	5,498,941	5,356,935	5,300,025	5,084,579	295,512	322,888	853,545	730,677	407,942	343,408	348,875	392,744	331,890
year-on-year	△0.7%	△1.2%	△2.6%	△1.1%	△4.1%	+0.6%	△3.4%	△6.9%	△4.7%	+21.5%	+2.3%	△1.9%	+3.4%	△2.2%

【Trend of Population and Household (annual)】

Source:Ministry of Internal Affairs and Communications

	2006	2007	2008	2009	2010	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11
Population (ten thousand persons)	12,777	12,777	12,769	12,751	12,806	12,802	12,737	12,796	12,797	12,793	12,795	12,792	12,792	12,763
year-on-year	+0.00%	+0.00%	△0.06%	△0.14%	+0.43%	+0.42%	△0.09%	+0.42%	+0.41%	+0.41%	+0.41%	+0.37%	+0.42%	+0.21%
Household (thousand)	47,531	48,023	47,957	48,013										
year-on-year	+1.0%	+1.0%	△0.1%	+0.1%										

Approach toward smart devices

Point → Focusing on the rapidly growing smart devices (iPhone, iPad, Android)

- Launched 2nd Android game App, "Perfect Room Layout."



- Launched the iPhone App, "HOME'S Estimation for Relocation".



- Launched the iPhone App, "HOME'S Finding a Nice Room Horoscope."



- Upgraded the Android App, "HOME'S."



- Launched the iPhone/iPad new Condominium navigation APP, "HOME'S New! Condominiums."

- Launched the iPhone App, "Lococom."

Oct

- Launched 3rd Android game App, "Capsule Room Planning."



- Launched optimization website for the smart phone device, "Lococom."



- Launched 2nd Android game App, "Go Swim Mr. HOMES-kun."



- Linked "HOME'S" for smart phones with Google maps search for rental properties.



- Revamped "HOME'S," the rental property search service for smart phones.

- Launched the iPhone App, "HOME'S Elderly Care Service."

Apr

May

Jun

Jul

Aug

Sep

Point Established a wholly owned subsidiary in Thailand, and plans are underway for providing real estate information with an exhaustive listing of properties

Check

1. Kingdom of Thailand
Business commencement date:
 Scheduled for January 2012
Type of company: Subsidiary (99.9%)
Service to provided: Real estate information service



▼ NEXT Co., Ltd.

- ▶ A wealth of property information, mainly on new properties ,using the AREA Co. (*) network
- ▶ Utilization of AREA Co.'s operating leases
- ▶ Product capabilities of HOME'S products
- ▶ HOME'S' website operating expertise
- ▶ Technical capabilities of NEXT
- ▶ Compatibility with devices including smart phones

▼ Competitors

- ▶ A crowded field of small-scale websites
- ▶ Basically free websites (banner advertising)
- ▶ Updating of information is less frequent and information is biased
- ▶ Most sites are set up as bulletin boards with little search capabilities

▼ Market conditions

- ▶ Bangkok home sales: Approx. 100,000
- ▶ Of which approx. 52% are Condominiums
- ▶ Internet advertizing expenses in the real estate industry was approx. 235 million yen in 2010, representing a year-on-year increase of 289%
- ▶ Internet advertizing expenses accounted for 1% of all advertizing expenses.
- ▶ Number of Internet users: 18 million
- ▶ More than 15% growth yearly
- ▶ Internet penetration rate: Approx. 25%

*AREA Co. (Agency For Real Estate Affairs Co., Ltd.), headed by Sopon Pornchokchai, Managing Director (Chairman), is an independent, professional assets consulting firm, providing real estate appraisals and research based on international standards to the public and private sectors. AREA Co. maintains a solid network in the real estate industry of Thailand and surrounding countries.

Point

Plans are underway to provide a real estate information website in China, where phenomenal proliferation of the Internet is expected

Check

2. People's Republic of China
Business commencement date:
 Scheduled for January 2012
Type of company: Equity method affiliate (39% equity investment planned)
Service to be provided: Real estate information service



▼ NEXT Co., Ltd.

- ▶ Sharing networks with real estate companies and partnerships with companies capable of attracting customers on the Internet
- ▶ Product capabilities of HOME'S products
- ▶ HOME'S' website operating expertise
- ▶ Technical capabilities of NEXT
- ▶ Compatibility with devices including smart phones

▼ Competitors

- ▶ Crowded field with 3 major companies (of which 2 are listed companies) and small- and medium-sized companies
- ▶ The industry leader, SouFun HD, recorded sales of USD224,490 thousand and operating profit of USD 78,420 thousand
- ▶ Information is of poor quality, as information screening is not widespread
- ▶ A fixed monthly fee charge for posting is the prevalent fee structure.

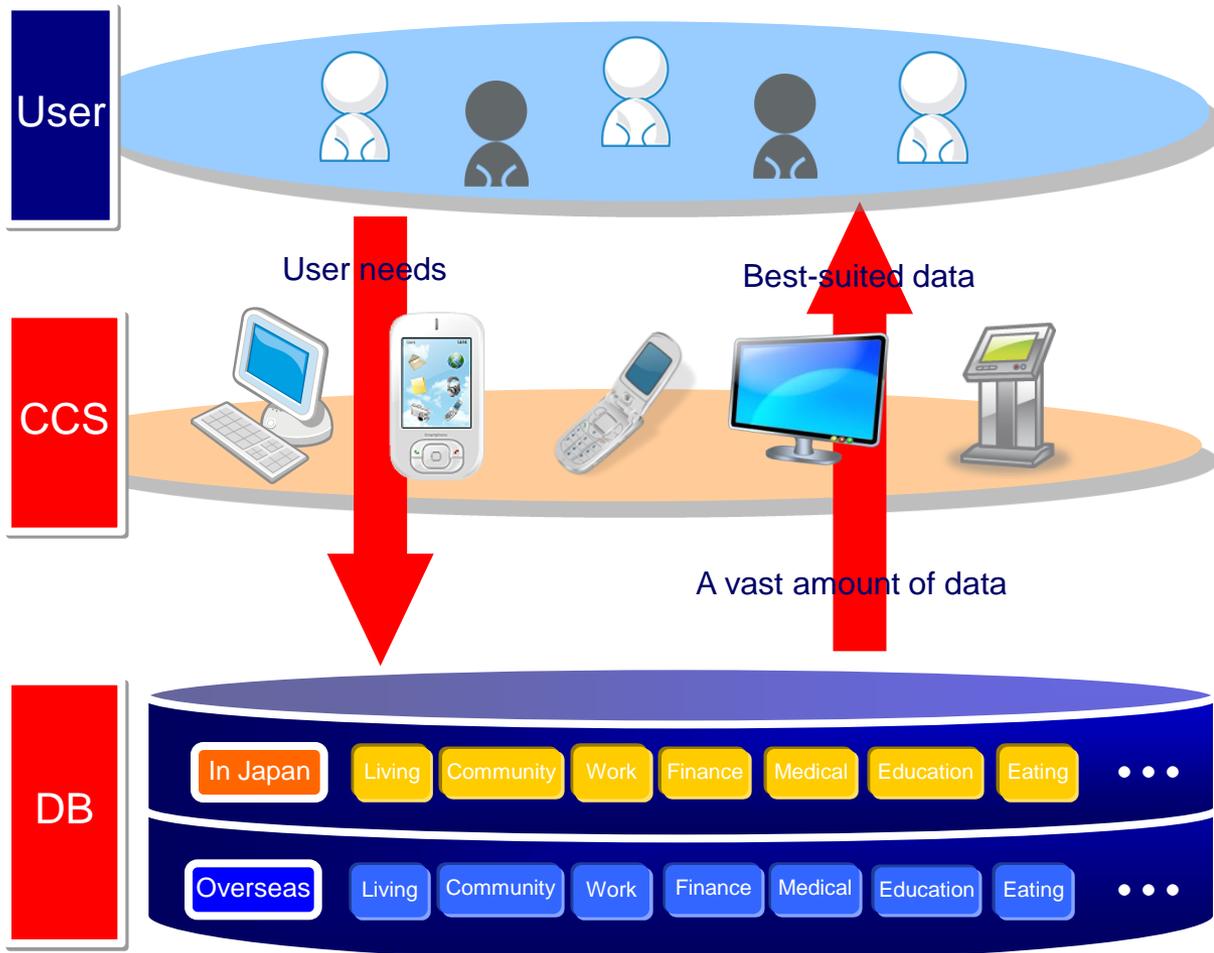
▼ Market conditions

- ▶ A record 4.8 trillion yuan was spent on real estate investments in 2010.
- ▶ On the other hand, the government has strengthened controls over soaring real estate prices and restrictions on speculative real estate sales.
- ▶ Internet real estate advertising was 2,450 million yuan, accounting for 10% of all advertising costs. In 2012, Internet advertising is expected to forge ahead of newspaper advertising to become the No.2 advertising media.
- ▶ Number of Internet users: 460 million (penetration rate: 35%)
 Number of mobile phone users: 750 million (penetration rate: 57%)

The concept of our future business development

Point → The Next Group's strategy is to aim at becoming a global company with "DB+CCS" (*)

Concept of "DB+CCS"



◆ Communication service

- ✓ Service enabling the user to become acquainted with people and feel rapport with and warmth of such people
- ✓ Service allowing users to help each other

◆ Concierge service

- ✓ Service enabling the service provider to select information best-suited to the person in question and offer proposal to that person
- ✓ Service allowing the service provider to identify latent needs as well and offer recommendation

Provide "DB+CCS" to solve the "non-availability" issue in the world

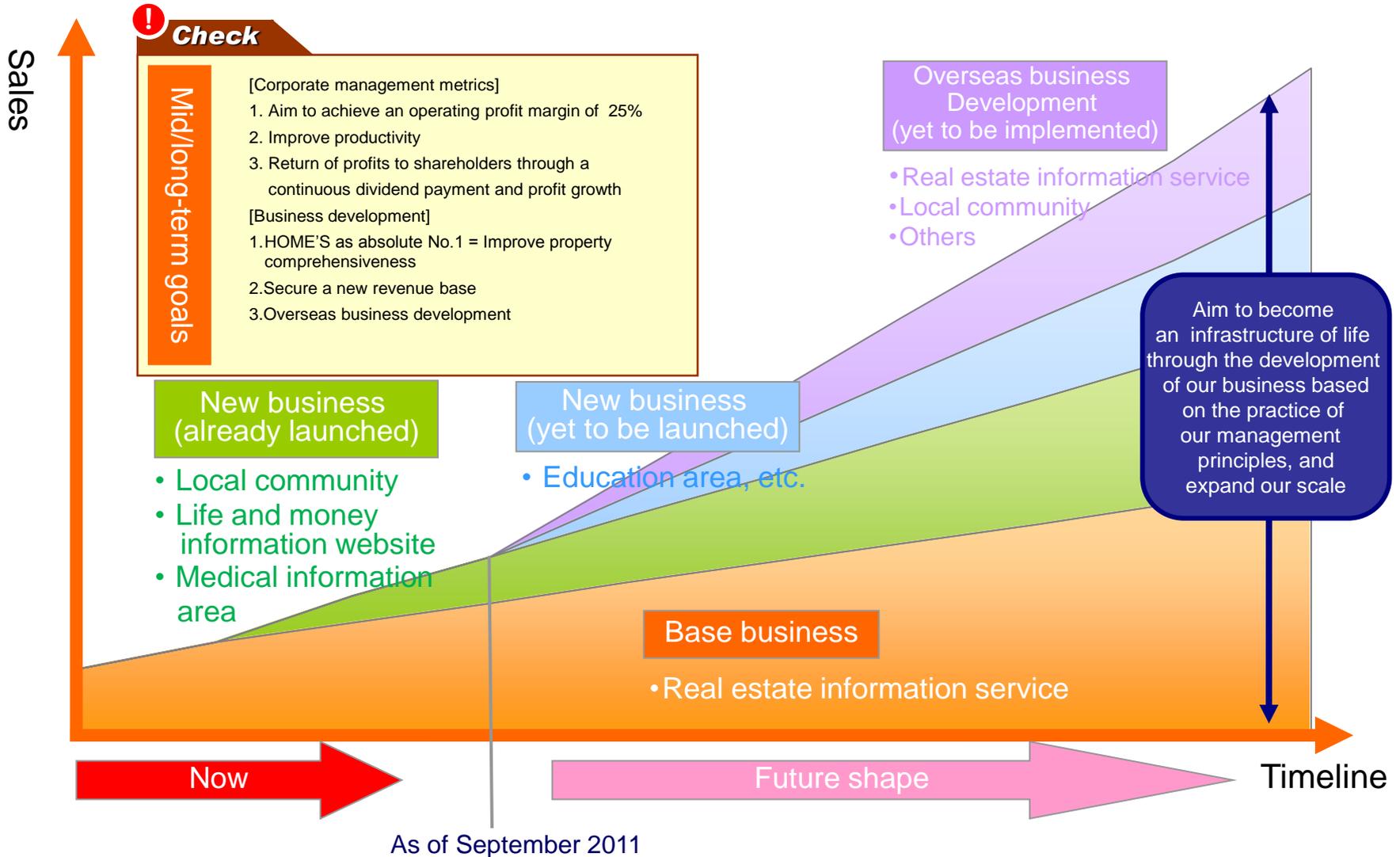
- ✓ Database from which anyone can obtain required information through any device, anytime and anywhere
- ✓ Comprehensive database of direct relevance to people's "life"
- ✓ Database usable in Japan as well as overseas
- ✓ Database free from false information

* "DB+CCS": An abbreviation for "Database" and "Communication & Concierge Service"

The concept of our future business development

Point →

In addition to the growth of the real estate information service, the revenue base, we are studying new businesses as well as overseas business development



Corporate profile

Company name	NEXT Co., Ltd (TSE 1 st Section: 2120)
Representative	President and CEO Takashi Inoue
Established	March 12, 1997 (Accounting year end: March)
Paid-in capital	1,993 million yen Number of shares outstanding: 187,770 shares
Consolidated number of employees	579 (including contingent employees totaling 44) A decrease of 18 from March 31, 2011
Business contents	Real estate information service Local information service Others
Number of shareholders	3,628 (as of September 30, 2011) A decrease of 106 from March 31, 2011
Major shareholders	Board member of NEXT, Rakuten, Inc. (NEXT Co., Ltd. is an equity method affiliate of Rakuten, Inc.)
Headquarters address (relocated in January 2011)	Shinagawa Front Building (general reception 3 rd floor), 2-3-13, Konan, Minato-ku, Tokyo
Consolidated subsidiaries (equity interest ratio)	Renter's Co.(100%) HOME'S PROPERTY MEDIA(THAILAND)CO.,LTD. (99.9%)

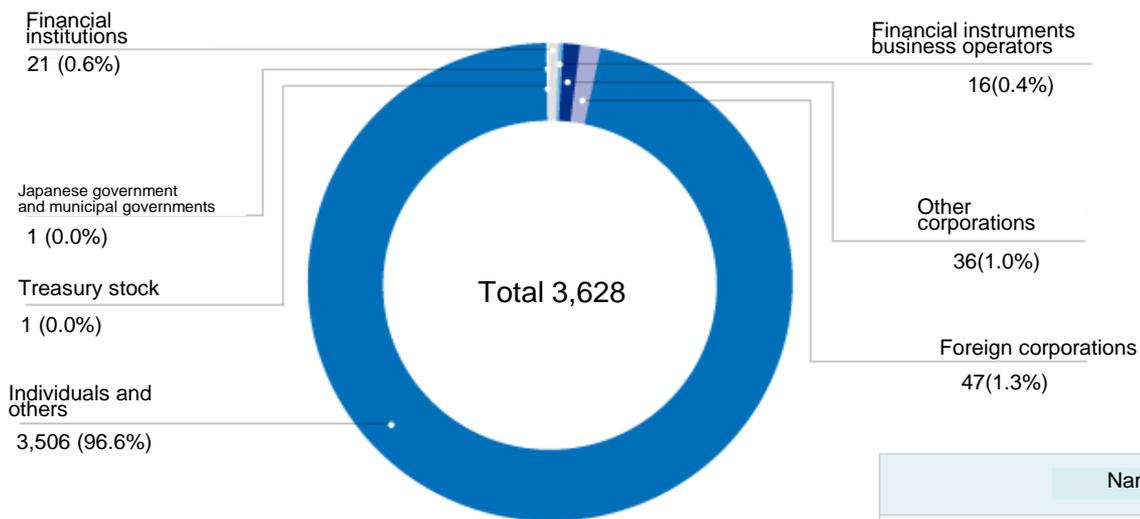
As of September 30, 2011

Shareholder composition

Point Decrease of 106 shareholders from March 31, 2011 to 3,628 shareholders

Number of shareholders 3,628(As of September 30, 2011), Decrease of 106 from March 31, 2011

Major shareholders NEXT Co., Ltd. directors and Rakuten Inc. (NEXT Co., Ltd. is an equity method affiliate of Rakuten, Inc.)



Large Shareholders

Name	Number of shares held	Ratio of shares held to total number of issued shares (%)
Takashi Inoue	70,235	37.41
Rakuten Inc.	30,000	15.98
J.P. MORGAN CLEARING CORP-SEC	9,542	5.08
Tapug Corporation	9,158	4.87
GOLDMAN SACHS & CO. (Regular Account)	3,923	2.09
Prospect Japan Fund Ltd.	3,261	1.73
Morgan Stanley & Co., LLC.	2,902	1.54
Japan Trustee Services Bank, Ltd. (Trust Account)	2,162	1.15
Baillie Gifford Japan Trust PLC	2,078	1.10
NEXT Co., Ltd. Employee Shareholding Association	1,739	0.92
Total	135,000	71.87

Number of shares

Item	Status of shares							Total	Status of less-than one unit shares
	Japanese government and municipal governments	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations	Individuals and others	Treasury stock		
Number of shares held	8	8,072	1,641	41,674	33,615	102,570	120	187,700	—
Shareholdings percentage of the total	0.0	4.3	0.9	22.2	17.9	54.7	0.1	100.0	—



Contact

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(Mobile website) <http://www.next-group.jp/m/> (Japanese)



IR News

In order to provide information to our stakeholders promptly and to help to better familiarize themselves with NEXT, we distribute “IR News” each time we update information on our company website involving monthly data and other information releases.

To register, please use the following registration form.

[Registration for]

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