

# NEXT Co., Ltd.

TSE 1st section 2120

## Annual Report of Financial Statement

Year Ended March 31, 2012  
(April 2011 to March 2012)

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.

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NEXT Co., Ltd.  
TSE 1<sup>st</sup> section 2120

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# Year Ended March 31, 2012 Financial Results

April 2011 to March 2012

## Today's Points

- Recorded a year-on-year decline in sales and profit due to lower sales for the “HOME’S Rental & Real Estate Trade” business and higher costs arising from the head office relocation

Sales	:	10,319 million yen	(down 3.9% year-on-year)
Operating profit	:	952 million yen	(down 45.6% year-on-year)
Net profit	:	465 million yen	(down 57.9% year-on-year)

- The number of properties posted averaged 3.61 million during March 2012 (+0.69 million year on year)  
The number of affiliated stores stood at 9,926 (+363 year on year) as of March 31, 2012

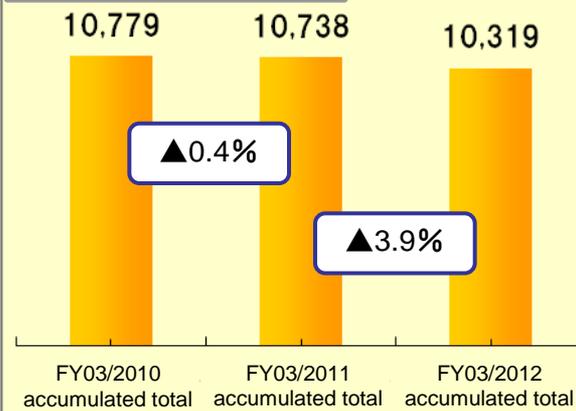
- A year-on-year sales growth began to be recorded starting from February 2012 thanks to the synergistic effect of the airing from January of a TV commercial featuring a popular young comedy duo and the implementation during the quarter of various sales promotion initiatives

- The “HOME’S” website won the number one position in the Smartphone Site Usability Ranking survey conducted in April 2012, becoming a top website in three categories, the number of properties posted, website user counts and smartphone site usability

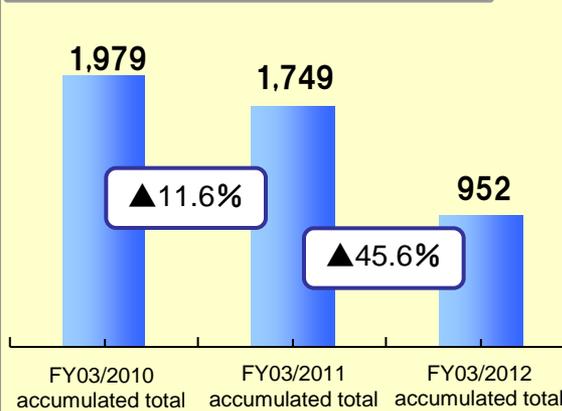
- Launched real estate information site “homescn.com” in Beijing and Shanghai in April 2012 while making an Indonesian company its subsidiary in the same month

**Check** Trend of consolidated business performance

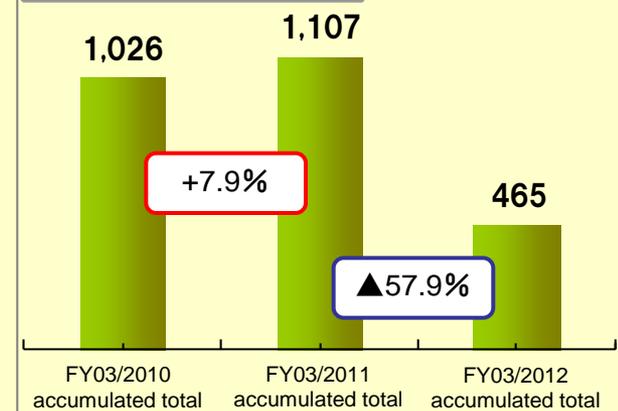
Sales (million yen)



Operating profit (million yen)

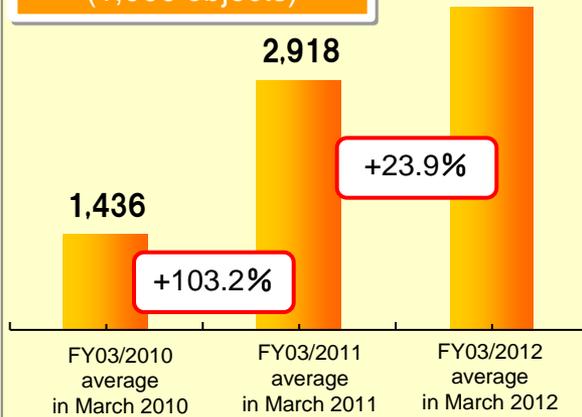


Net profit (million yen)

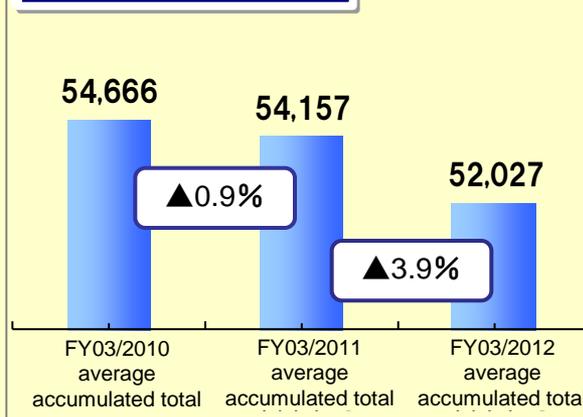


**Check** "HOME'S Real Estate Rents & Trade" trend of major indicators

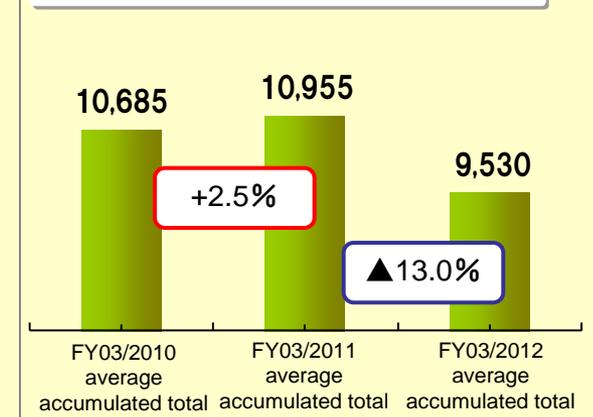
No. of objects posted (1,000 objects)



Sales per store (yen)



Number of affiliated stores (stores)



# Year Ended March 31, 2012 Financial Results

Trend of Operating P/L (simplified version)

**Point** → Sales declined 3.9% and operating profit fell 45.6% as SG&A expenses rose 3.6%

Unit: million yen	FY03/2010 (Apr-Mar)	FY03/2011 (Apr-Mar)	FY03/2012 (Apr-Mar)	Change (year-on-year)	Percentage change (year-on-year)
Sales	10,779	10,738	10,319	▲418	▲3.9%
Cost of sales	243	229	291	+62	+27.2%
Selling, general & administrative (SG&A) expenses	8,556	8,759	9,075	+316	+3.6%
Personnel costs	3,583	3,507	3,186	▲321	▲9.2%
Advertising costs	1,926	2,460	2,735	+274	+11.2%
Operating expense	515	313	240	▲72	▲23.2%
Depreciation/amortization cost	364	367	479	+112	+30.6%
Allowances of uncollectible receivables and performance guarantee	188	81	-	▲81	▲100.0%
Other selling, general & administrative (AS&A) expenses	1,978	2,028	2,433	+404	+19.9%
Operating profit	1,979	1,749	952	▲797	▲45.6%
Net profit	1,026	1,107	465	▲641	▲57.9%
Operating profit margin (OPM)	18.4%	16.3%	9.2%	▲7.1p	-

⇒ See p. 7  
for details

\*1

\*2

\*3

\*4

\*5

\*6

\*7

\*8

\* Real estate lease warrant business, from which the Company withdrew in the 2Q of FY 03/2011, had recorded sales of 268 million yen, SG&A expenses of 248 million yen and operating profit of 20 million yen in FY 03/2010.

\*1: An increase of 16 million yen in ASP services use fees and an increase of 12 million yen in production costs for special feature page contents

\*2: The average consolidated number of employees during FY 03/2012 stood at 563 (a decrease of 19 year-on-year), including 23 new graduates (no change year-on-year). A decrease of 183 million yen in employees' bonuses and a decrease of 137 million in personnel costs due to 39 temporary employee resignations

\*3: An increase of 395 million yen in website customer drawing costs and an increase of 167 million yen in TV commercial-related costs. An advertising costs decrease of 172 million due to the absence of the campaign and promotion costs incurred in FY 03/2011

\*4: A decrease of 50 million yen due to the Company's withdrawal from Real estate lease warrant business

\*5: An increase of 101 million yen due to depreciation and amortization arising from the head office relocation and to asset retirement obligations

\*6: Due to a decrease arising from the Company's withdrawal from Real estate lease warrant business and from a reduced default rate

\*7: An increase of 601 million yen due to the head office relocation. A decrease of 102 million yen due to lower employee recruitment costs. An increase of 44 million yen in research and development costs resulting from the founding of Littel Research Institute

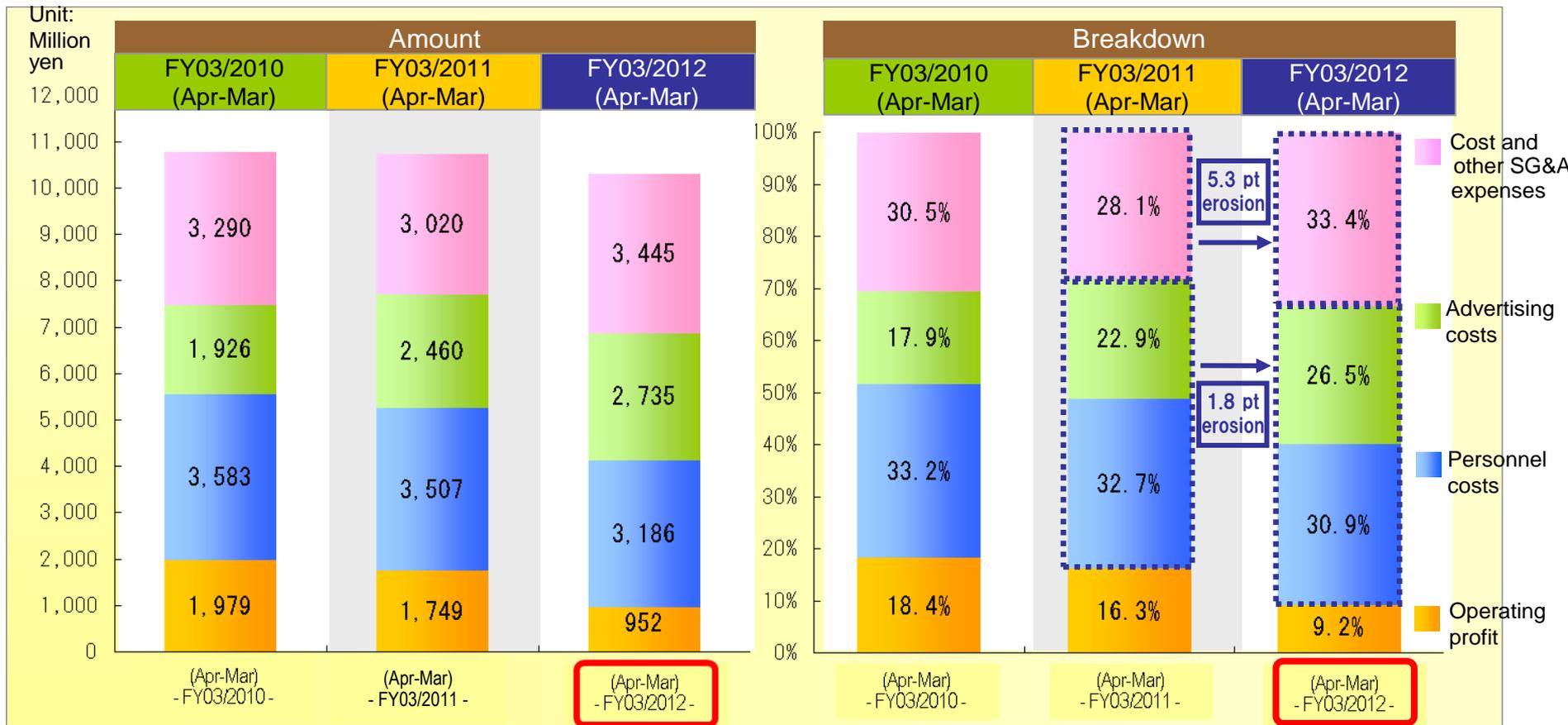
\*8: For FY 03/2011, the Company had recorded an extraordinary loss of 377 million yen (22 million yen in prior-year depreciation costs due to the recording of asset retirement obligations, 125 million yen in provision for the head office relocation and 229 million yen in a loss on sale of shares in NFS Co., Ltd.). For FY 03/2012, the Company posted 113 million yen in an extraordinary loss (113 million yen in a loss on amortization relating to Lococom services [software])

# Year Ended March 31, 2012 Financial Results

Trend of cost to sales ratio



A profit decline posted with the improved personnel cost ratio failing to offset higher costs resulting from increased advertising spending and the head office relocation



- ↑: In "Cost and other SG&A expenses ratio" (pink), despite an approx. 160 million yen decrease in expenses due to the Company's withdrawal from Real estate lease warrant business, costs for the relocation of the head office increased
- ↓: "Advertising costs ratio" (green) increased due to an increase in website customer drawing costs and TV commercial-related costs
- ↓: "Personnel cost (blue)" declined due to a decrease of 93 million yen resulting from the Company's withdrawal from Real estate lease warrant business as well as to a decrease of 183 million yen in employees' bonuses and to a personnel costs decrease of 137 million yen resulting from a decline in the number of temporary employees from 54 to 15

\* 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%

# Year Ended March 31, 2012 Financial Results

Trend of sales by service



Strong new condominium/housing sales failed to offset lower sales for the “HOME’S Rental and Real Estate Trade” business, causing the Company’s overall sales to record a decline

Unit: Million yen	FY03/2010 (Apr-Mar)	FY03/2011 (Apr-Mar)	FY03/2012 (Apr-Mar)	Change (year-on-year)	Percentage change (year-on-year)
Consolidated sales	10,779	10,738	10,319	▲418	▲3.9%
Real estate information services	9,963	10,407	10,222	▲185	▲1.8%
Rental & Real Estate Trade	7,014	7,096	5,956	▲1,139	▲16.1% *1
New Condominium	1,061	1,131	1,403	+271	+24.0% *2
New Houses	804	994	1,404	+409	+41.2% *3
Custom-built house and refurbishment	417	501	596	+94	+18.9%
Renter's Network	302	331	399	+67	+20.4%
Others Note2	362	351	461	+110	+31.5% *4
Local information services business Note 3	27	35	30	▲4	▲13.9%
Real estate lease warrant business Note 4	783	268	-	▲268	-
Others Note 5	4	26	67	+40	+150.6%

**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

**Note 5:** “Others” comprise “MONEYMO,” “eQOL Skincare,” “Casualty insurance agency business” and “Career education business” among others

\*1: Sales showed a year-on-year decline in the fiscal year under review due to the change in the pricing method. The number of properties posted on our website grew substantially while the number of affiliated store membership withdrawals resumed their rising trend. The number of inquiries fell short of our original forecast in the fiscal year under review

\*2: Sales for project services such as special feature pages were strong

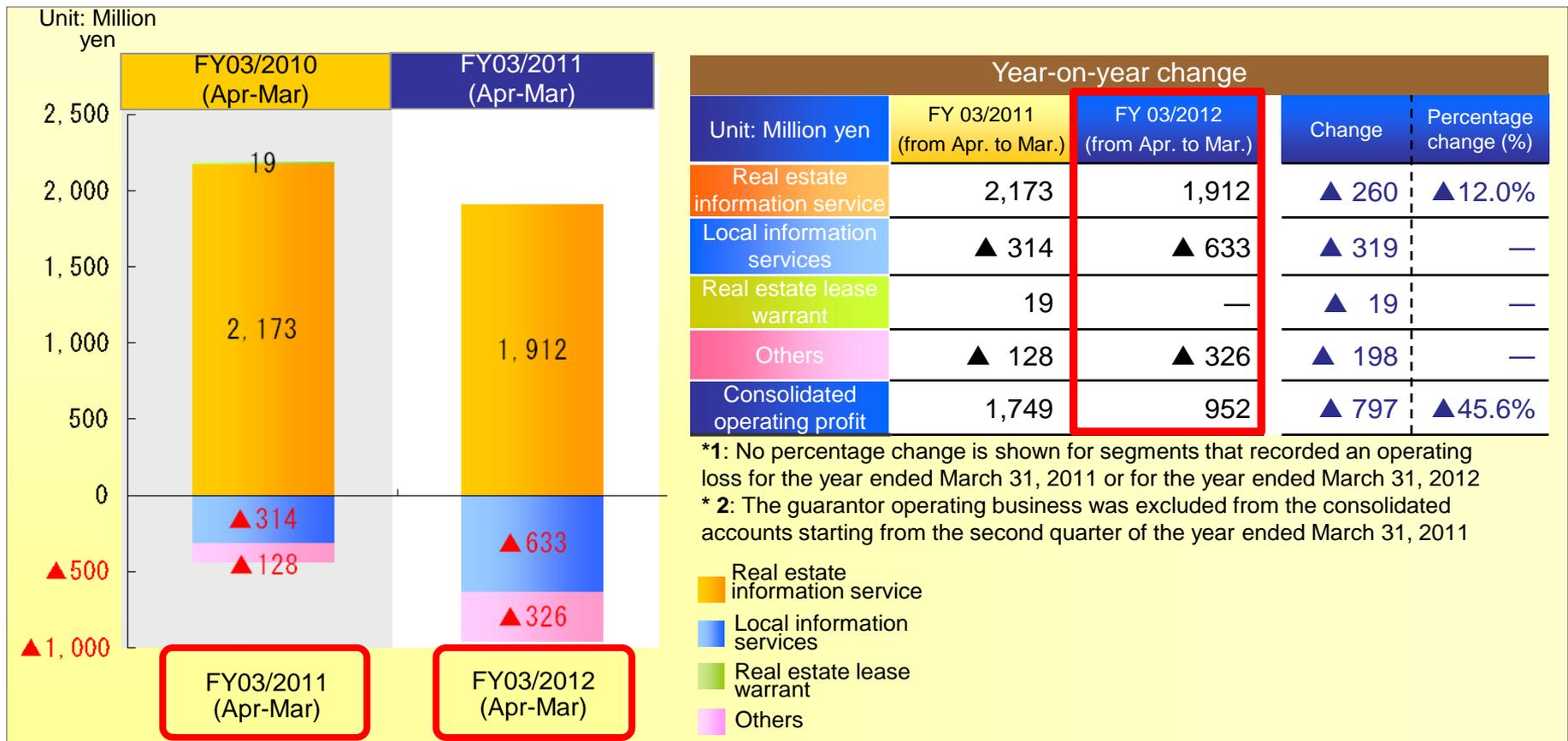
\*3: The number of properties posted grew 28.3% year on year. The membership increased 14.5% year on year

\*4: Sales for “HOME’S Estimation for Relocation” grew by 95 million yen while sales for “HOME’S Elderly Care Service” increased by 28 million yen

# Financial Results for the Year Ended March 31, 2012

Trend of P/L by segment

**Point** Profit declined for all the segments due to lower sales and to higher costs arising from the head office relocation



- ↓ : The real estate information services (orange) recorded a decline in operating profit due to a sales decrease of 185 million yen as well as to higher advertising costs and to increased rent following the head office relocation
- ↓ : In the local information services (blue), the Company continued to implement a staffing expansion program and various sales promotion measures until the second quarter of the fiscal year under review with the aim of achieving profitability for this business line. Yet starting from the third quarter, the Company began to operate this business line with minimum staffing in a change of policy while continuing its cost downsizing efforts
- ➡ : The guarantor operating business (green), attained operating profitability in the first quarter of the fiscal year ended March 31, 2011, recording 19 million yen in operating profit for the quarter. Because the Company had withdrawn from this business in the fiscal year ended March 31, 2011, no operating profit was recorded for the fiscal year under review
- ↓ : In "Others" (pink), an increase in costs was recorded for the "MONEYMO," "eQOL Skincare" and career education businesses, respectively

# Financial Results for the Year Ended March 31, 2012

Consolidated balance sheet and goodwill

**Point** Net assets per share grew 4.4% year on year while interest-bearing debt remained zero

Unit: Million yen	March 31, 2011	March 31, 2012 [End FY03/2012]	Change	Percentage change
Assets	9,711	10,119	▲ 407	▲ 4.2%
Current assets	6,841	7,255	+ 414	+ 6.1%
Fixed assets	2,869	2,863	▲ 6	▲ 0.2%
Liabilities	1,595	1,641	+ 45	+ 2.9%
Current liabilities	1,355	1,399	+ 44	+ 3.3%
Fixed liabilities	240	241	+ 1	+ 0.6%
Net assets	8,115	8,477	+ 362	+ 4.5%
Net assets per share	432.77 yen	451.95 yen	+ 19.18	+ 4.4%

Main reasons for change	
Increase in cash and deposits: 2,217 million yen / Increase in current assets	*1
Increase in accounts receivable-trade: 128 million yen / Increase in current assets	
Decrease in short-term investment securities: 1,510 million yen / Decrease in current assets	*2
Non-occurrence of income taxes receivable: 359 million yen / Decrease in current assets	
Increase in investment securities: 333 million yen / Increase in noncurrent assets	*3
Decrease in accounts payable-other: 143 million yen / Decrease in current liabilities	
Increase in income taxes payable and consumption taxes payable: 331 million yen / Increase in current liabilities	*4
Decrease in provision for bonuses: 183 million yen / Decrease in current liabilities	
Interest bearing debt: 0	
Increase in retained earnings: 357 million yen / Increase in net assets	

\*Effective October 1, 2011, the Company conducted a 1:100 stock split. Consequently, net assets per share were calculated by dividing net asset value by the total number of shares outstanding after this stock split

Unit: 1,000 yen

Goodwill amortization status	Total amount of goodwill	Beginning of period residual value	April 2010 to March 2011 amortization amount	Residual value	Number of months outstanding	Amortization completion date
The former Willnic	50,000	10,000	2,500	0	0	March 2012
The former Littel	216,738	216,738	43,347	173,390	48 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: The main reasons for increase in cash and deposits: Increase due to refunds of income tax and cancellation of Free Financial Fund (FFF) and decrease due to dividend payment

\*2: The main reason for a decrease in short-term investment securities: Cancellation of FFF

\*3: The main reasons for an increase in investment securities: The acquisition of shares worth 25 million yen in Chinese company Real Estate Mobile Inc. and the acquisition of shares worth 116 million yen in Next Property Media Holdings Limited as well as the acquisition of shares worth 173 million yen in Taiwanese company Rakuya Inc.

# Financial Results for the Year Ended March 31, 2012

Consolidated cash flow

Point

The balance of cash and cash equivalents as of March 31, 2012 stood at 3,400 million yen; 5,400 million yen if time deposits are included

Unit: Million yen	FY03/2011	FY03/2012 [Year under review]	Change	Main items	FY03/2011	FY03/2012 [Year under review]
Operating CF	+ 660	+ 1,512	+ 852	Income before income taxes and minority interests Depreciation and amortization Impairment loss Increase/decrease in provision for bonuses Loss on sales of stocks of subsidiaries and affiliates Increase/decrease in accounts receivable-trade Increase/decrease in accounts payable-other Income taxes paid or refunded (▲ denotes income taxes paid)	1,365 million yen 367million yen — ▲ 36 million yen 229 million yen ▲ 296 million yen 205 million yen ▲ 1,139 million yen	868 million yen 481 million yen 113 million yen ▲ 183 million yen — ▲ 140 million yen ▲ 107 million yen 276 million yen
Investment CF	▲ 2,317	▲ 2,698	▲ 381	Cash outflow due to the depositing of time deposit Cash outflow due to the acquisition of investment securities Cash outflow due to the acquisition of property, plant and equipment Cash outflow due to the acquisition of intangible noncurrent assets Cash outflow due to sale of shares in subsidiary that involves a change in scope of consolidation (*1) Cash outflow due to the depositing of security deposit and security money	— ▲ 10 million yen ▲ 509 million yen ▲ 280 million yen ▲ 755 million yen ▲ 654 million yen	▲ 2,000 million yen ▲ 324 million yen ▲ 54 million yen ▲ 321 million yen — ▲ 0 million yen
Financial CF	▲ 124	▲ 108	+ 15	Payment of dividends	▲ 120 million yen	▲ 110 million yen
Increase/decrease in cash and cash equivalents	▲ 1,780	▲ 1,294	+ 486	(*1) Due to sale of shares in subsidiary or in NFS Co., Ltd.		
Balance of cash and cash equivalents	4,707	3,413 (*2)	▲ 1,294	(*2) 5,413 million yen if the more-than-three-month time deposit of 20 million yen		

Our Initiatives for the Three Months Ended  
March 31, 2012



## Check

### Real estate information services

Attained increased sales thanks to the positive effects of our cross-media sales promotion activities

The “HOME’S” website won the number one position in the Smartphone Site Usability Ranking survey, becoming a top website in three categories, the number of properties posted, website user counts and smartphone site usability

### Overseas business

China  
Launched real estate information services site “homescn.com”

Indonesia  
Made local company PT. Rumah Media a subsidiary

## Check

Continued to air a TV commercial featuring a popular Comedy duo during the January to March 2012 period

Aired a TV commercial featuring the popular comedy duo “Heisei Nobushi Kobushi,” demonstrating our two service appeals, “the top-ranked website in the number of properties posted” and “the function to allow the user to discover an ideal property instantly”

## Check

Demonstrated the same service appeals through our cross-media sales promotion initiative using TV commercial and other vehicles

Demonstrated the same service appeals by running display advertisements and campaigns while airing the TV commercial simultaneously

### Display advertisement



### Campaign

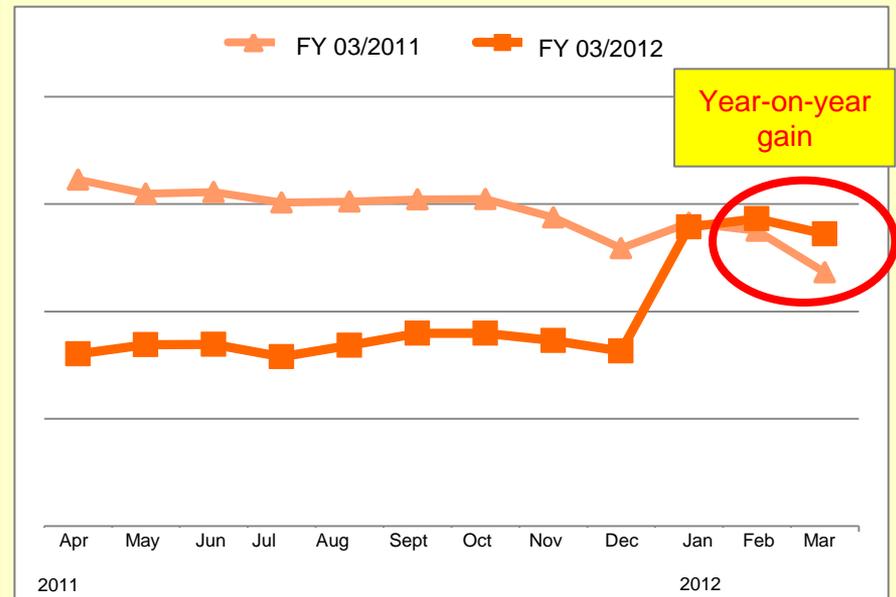


## Check

Sales began to show a year-on-year gain starting from February 2012

Following a period of negative year-on-year growth, monthly sales began to increase year on year starting from February 2012, helped partly by our cross-media promotion efforts

### “HOME’S Rental and Real Estate Trade”: Changes in monthly sales

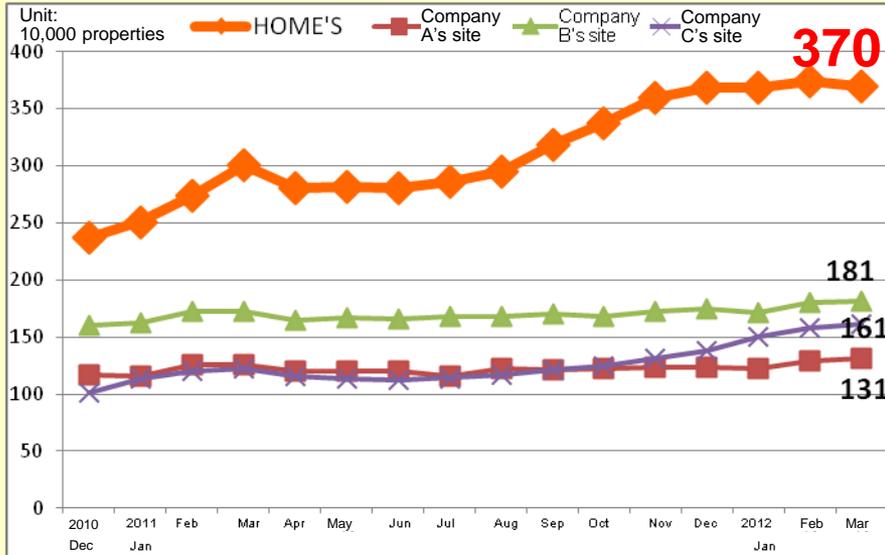


## ! Check

Top

### Ranked top in the number of properties posted

In terms of the number of properties posted, the "HOME'S" website was ranked top in the ranking survey of five major real estate portal sites, featured in the 2011 December 12 edition of the Shukan Jutaku Shinbun newspaper (date of survey: December 6, 2011). "HOME'S" property listings were found to be more than twice those of competitor sites



\* The number of rental and for-sale properties posted on major real estate portal sites  
\* As of March 1, 2012 (source: NEXT data)

## ! Check

Top

### Ranked top in website visitor counts

The "HOME'S" website was ranked top in website user counts among different real estate information sites, according to the 2012 January Nielsen Net Ratings data, which was attributable to its superior convenience and diverse content offerings

Site name	Site operator	Site operator
HOME'S	NEXT Co., Ltd	3.87 million
suumo	Recruit Co., Ltd.	3.24 million
Infoseek Real Estate*	Rakuten, Inc.	2.04 million
Yahoo! Real Estate	Yahoo! JAPAN	1.88 million
CHINTAI	CHINTAI Corporation	1.62 million
at home web	At Home Co., Ltd.	1.12 million
HOME ADPARK	ADPARK Communications	0.68 million
Home PLAZA	Home Advisor, Inc.	0.62 million
O-uchino	Home Advisor, Inc.	0.52 million
Sumaity	Kakaku.com, Inc.	0.25 million

\* The property information of "HOME'S" is posted on the Infoseek Real Estate website as well  
Source: 2012 January Nielsen Net Ratings data of website user access through home-installed PC and office-installed PC

**Check**

**Top** Ranked top in usability

The “HOME’S” website was ranked top in usability due to its “overall website clarity” among 30 sites in four segments composed of different portal sites, EC sites, company sites and specialized sites in specific categories (sites dedicated to specific categories or functions such as real estate and financial services), websites run by companies providing their main services via smartphone

Rank	Operator/site name	Overall score	Overall website clarity
1.	HOME'S (specialized site)	86.71	100.00
2.	Nomura Securities (specialized site)	86.22	90.00
3.	ZOZO Town (EC site)	85.04	88.00
4.	House Foods (company site)	84.67	100.00
5.	Tokyo Metro (company site)	84.04	93.00
6.	Kakaku.com (EC site)	83.62	83.70
7.	United Arrows (company site)	83.35	90.40
8.	Nissan Motor (company site)	82.36	88.60
9.	At Home (specialized site)	82.27	90.00
10.	Amazon.com (EC site)	82.02	68.80

\*Source: Data released by Tribeck Strategies, Inc. on April 5, 2012

**Check**

The “Triple Chance! HOME’S Property Search/Relocation Support Campaign” now underway in celebration of the the Company having won top website rankings in three categories

Marking the winning of top website rankings in three categories, namely, the number of properties posted, site visitor counts and usability, we are now in the process of implementing this campaign in collaboration with our affiliated stores. This campaign will continue until the end of July 2012 with the aim of acquiring new users during the post-peak moving season



# Our Initiatives for the Three Months Ended

March 31, 2012

Progress status for our overseas  
business operations

**Point** Took an equity participation in an Indonesian entity, following on from investment in companies in Thailand, China and Taiwan, in an effort to lay the groundwork for making “HOME’S” a global brand

## September 2011

- Set up in Thailand subsidiary HOME'S PROPERTY MEDIA (THAILAND) CO., LTD.



## December 2011

- Took an equity participation in Real Estate Mobile Inc.(REM), a China-based real estate service provider serving the needs of real estate companies in the country
- Took an equity participation in Next Property Media Holdings Limited jointly with REM
- Took an equity participation in Rakuya International Info. Co., Ltd., a Taiwan-based operator of a real estate information website



## January 2012

- Services launched in Thailand by real estate information website “HOME’S Thailand”



## April 2012

- Services launched in China (Beijing and Shanghai) by real estate information website “homescn.com”
- Took an equity participation in local company PT. Rumah Media in Indonesia



**Point** Services launched by “HOME’S” website China version on April 9, 2012 in Beijing and Shanghai simultaneously

The screenshot displays the HOME'S website interface. At the top, it features the HOME'S logo and navigation links. The main content area includes a search bar with filters for price, type, and location. Below the search bar, there are sections for '二手买房' (Second-hand home buying), '房屋租赁' (Real estate rental), and '方案找房' (Home search solutions). The '方案找房' section shows three user profiles with their specific requirements and the number of properties they are looking for. At the bottom, there are featured property listings and a bar chart showing Beijing's real estate market trends.

### Check

## Services launched by real estate information Website “homescn.com” in Beijing and Shanghai on April 9, 2012

The number of properties posted as of April 2012 **1 million**

The targeted number of properties posted for FY 2012 **2.25 million**

The targeted sales for FY 2014 **3.0 billion to 4.0 billion yen**

## Point → Launched preparations for providing Indonesian real estate information services



Met the representative of major shareholder Corfina on April 20, 2012 during his Japan visit

Company name	PT. Rumah Media (English name: Home media)	
Representative	Suryanto Wijaya (Corfina)	
Date of founding	December 14, 2011	
Number of employees	Eight (including one to two employees to be seconded from NEXT)	
Shareholders	NEXT Co., Ltd.	50% (675,000 shares)
	PT. Corfina Mitrakreasi	50% (675,000 shares)
Business activities	Real estate information services business	

### ! Check

#### **Took an equity participation in PT. Rumah Media, Making it NEXT's subsidiary**

##### **May 2012**

To launch real estate concierge services for Japanese nationals living in Indonesia

##### **September 2012**

To launch a real estate information website for providing information to Indonesian users

The targeted sales for FY 2014

**Approx. 30 million to 40 million yen**

Business Forecast for the Year  
Ending March 31, 2012

# Business Forecast for the Year Ending March 31, 2012

Initiatives for FY 03/2013

**Point** Sales are forecast to remain flat year on year, based on our conservative estimation, and profit is forecast to decline year on year as we implement our branding enhancement program

Consolidated financial results	Item	FY03/2012 results	FY03/2013 business forecast		Assumptions
	Consolidated sales	10,319 million yen	10,332 million yen	Up 0.1%	<ul style="list-style-type: none"> <li>Sales were forecast conservatively in view of high volatility for inquiry-based fee revenues</li> <li>An anticipated sales growth due to our branding enhancement program was not factored into the sales forecast</li> </ul>
	Real estate information services	10,222 million yen	10,175 million yen	Down 0.5%	
	Local information services	30 million yen	49 million yen	Up 63.2%	
	Others	67 million yen	107 million yen	Up 60.6%	
	Consolidated operating profit	952 million yen	535 million yen	Down 43.8%	<ul style="list-style-type: none"> <li>An increase of 400 million yen in the advertising costs budget due to the branding enhancement program</li> </ul>
	Consolidated net profit	465 million yen	215 million yen	Down 53.8%	<ul style="list-style-type: none"> <li>The Company is likely to record 90 million yen in a loss on equity method investment in an overseas affiliate, under non-operating expenses</li> </ul>

# Business Forecast for the Year Ending March 31, 2012

Trend of operating P/L



Sales are forecast to remain flat year on year, and the advertising costs budget was expanded by approx. 400 million yen for implementing our branding enhancement program

Unit: million yen	[Reference] FY03/2011 (Actual)	FY03/2012 (Actual)	FY03/2013 (Forecast)	Change	Percentage change
Sales	10,738	10,319	10,332	+ 12	+0.1% * 1
Cost of sales	229	291	354	+ 62	+21.5% * 2
Selling, general & administrative (SG&A) expenses	8,759	9,075	9,442	+ 367	+4.0%
Personnel costs	3,507	3,186	3,068	▲ 117	▲ 3.7%
Advertising costs	2,460	2,735	3,129	+ 393	+ 14.4%
Operating expense	313	240	344	+ 103	+ 43.0% * 3
Depreciation/amortization cost	367	479	474	▲ 5	▲ 1.1%
Allowances of uncollectible receivables and performance guarantee	81	-	18	+ 18	-
Other selling, general & administrative (AS&A) expenses	2,028	2,433	2,408	▲ 24	▲ 1.0%
Operating profit	1,749	952	535	▲ 417	▲ 43.8%
Net profit	1,107	465	215	▲ 250	▲ 53.8% * 4
Operating profit margin (OPM)	16.3%	9.2%	5.2%	▲ 4.0p	-

\*1: Sales were forecast conservatively in view of high volatility for inquiry-based fee revenues. An anticipated change in sales due to the positive promotion effects was not factored into the forecast. For the sales forecast by service, please see Page 22

\*2: An increase due to the content production costs for new condominium and new detached house special feature pages

\*3: An increase due to the costs for the real estate information service campaign and the costs for "Others"

\*4: The Company is likely to record 90 million yen in a loss on equity method investment, under non-operating expenses

# Business Forecast for the Year Ending March 31, 2012

Trend of sales by service

Point

The sales forecast was made on a conservative basis. An anticipated sales growth due to our increased advertising costs spending was not factored into the sales forecast

Unit: Million yen	[Reference] FY03/2011 (Actual)	FY03/2012 (Actual)	FY03/2013 (Forecast)	Change	Percentage change
Consolidated sales	10,738	10,319	10,332	+12	+0.1% *1
Real estate information services business	10,407	10,222	10,175	▲46	▲0.5%
Rental & Real Estate Trade	7,096	5,956	5,702	▲254	▲4.3% *2
New condominium	1,131	1,403	1,398	▲4	▲0.3%
New Houses	994	1,404	1,538	+133	+9.5%
Custom-built house and refurbishment	501	596	649	+53	+8.9%
Renter's Network	331	399	463	+64	+16.2%
Others Note 2	351	461	422	▲38	▲8.4%
Local information services business	35	30	49	+19	+63.2%
Real estate lease warrant business Note 3	268	-	-	-	-
Others Note 4	26	67	107	+40	+60.6%

**Note 1:** All inter-segment transactions were offset and eliminated

**Note 2:** "Others" in the real estate information services are composed of "HOME'S Estimation for Relocation," "HOME'S Elderly Care Service," HOME'S-derived businesses and overseas business, among others

**Note 3:** : 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

Note 4: "Others" comprise "MONEYMO," "eQOL Skincare," "Casualty insurance agency business" and "Career education business" among others

\*1: An anticipated change in sales due to the positive effects of the promotion program in the real estate information services was not factored into the forecast

\*2: The forecast was made on a conservative basis in view of high volatility for inquiry-based fee revenues

**Point** We expect to pay 1.70 yen in FY 03/2013 per-share dividend, a decline of 2 yen due to a profit decline, while we will keep our dividend payout ratio at 15%

Item	FY03/2012	FY03/2013 (Forecast)
Annual dividend (Forecast)	3.70 yen	1.70 yen
Consolidated net profit	465 million yen	215 million yen
Dividend ratio	14.9%	14.8%

### **!** 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 endeavor 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%)

Priority action points for the Year Ending  
March 31, 2013



## Check

Number one  
priority

In Japan

Enhance the “HOME’S” website

Number two  
priority

Overseas

Put our business on a firm footing in the countries we have expanded into and consider new target countries

Number three  
priority

In Japan

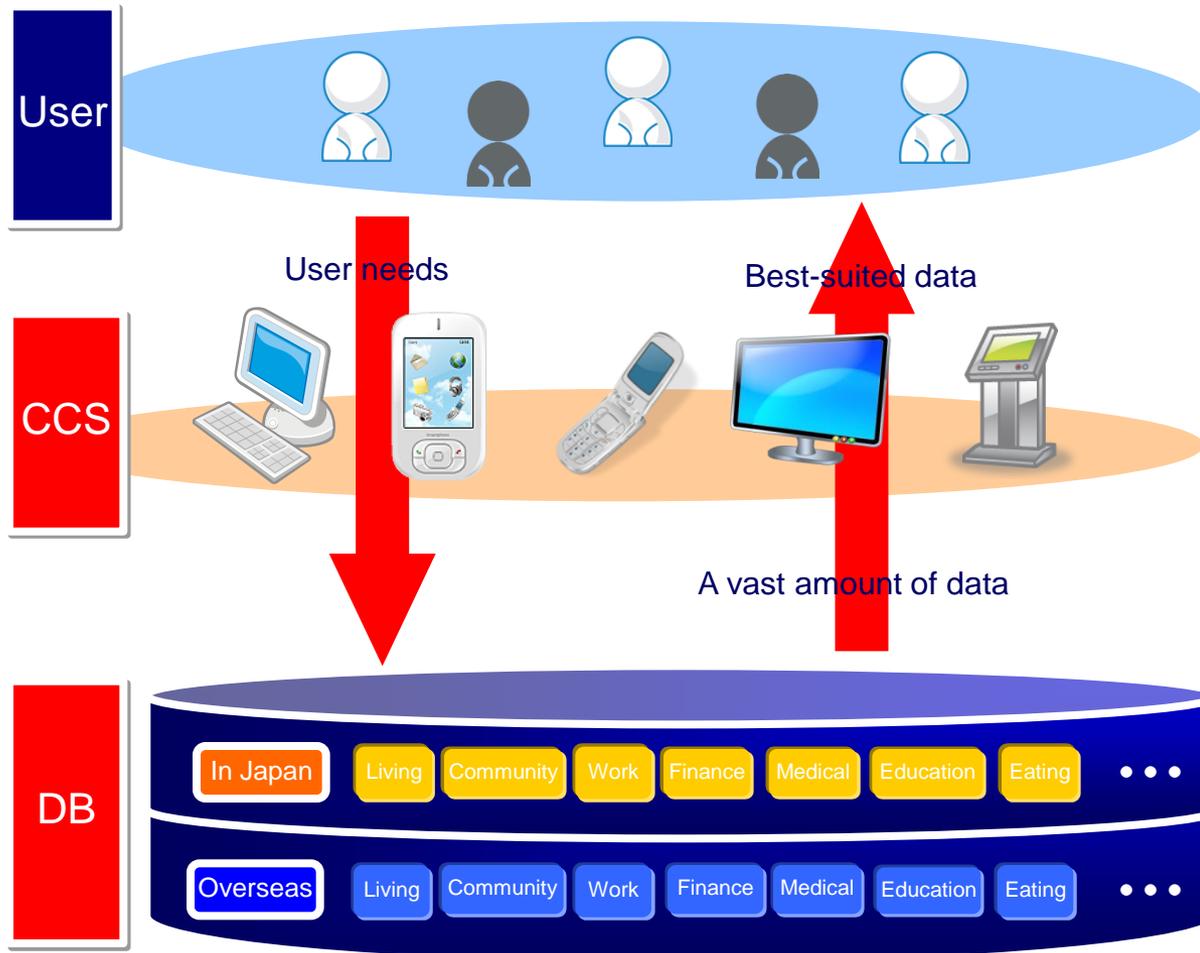
Develop our new businesses towards attaining profitability for them

# Our Top Priority Challenges for the Year Ending March 31, 2013

The concept of our future business development

**Point** 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

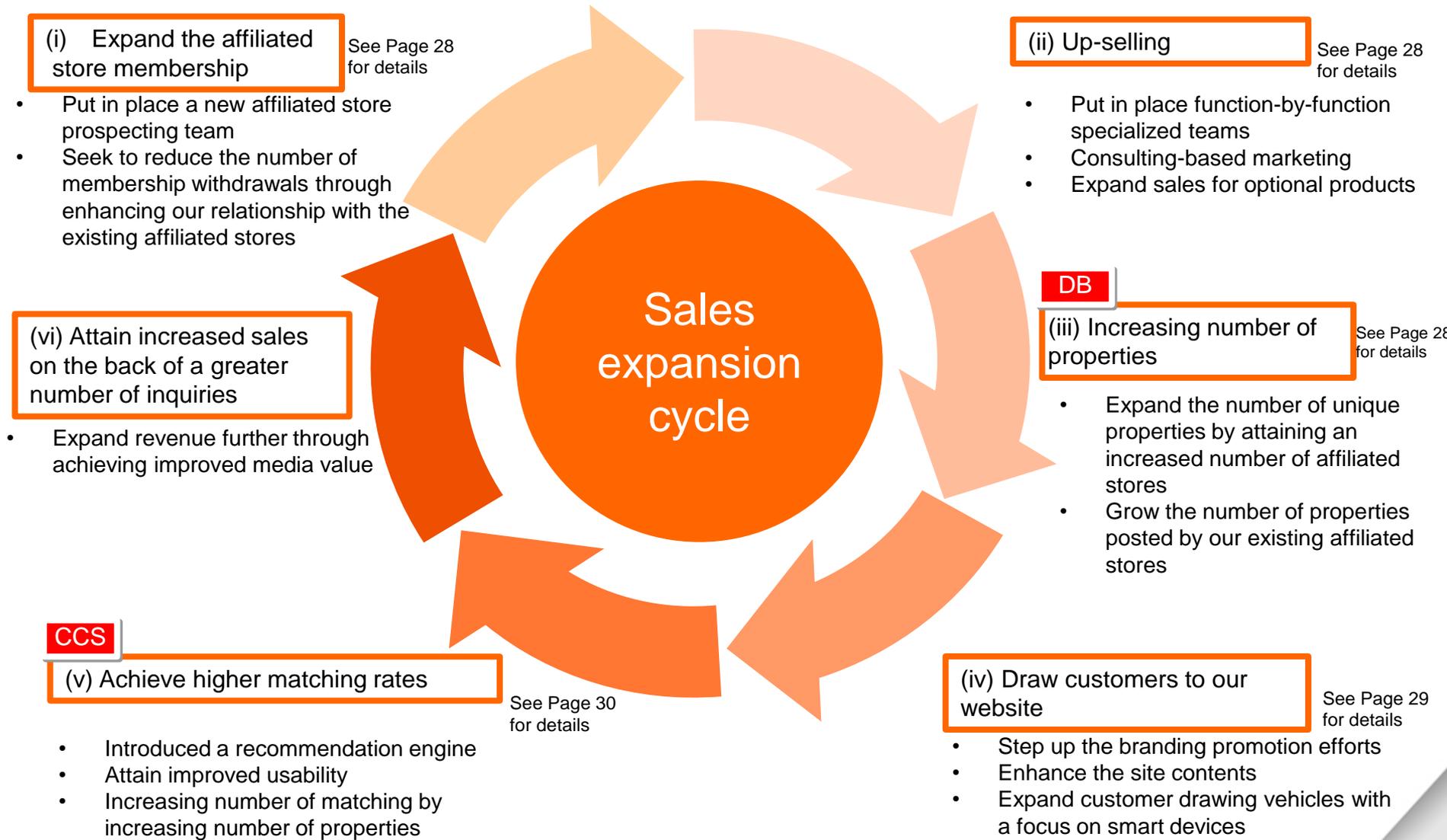
- ✓ Database from which anyone can obtain required information through any device, anytime and anywhere
- ✓ Comprehensive database of direct relevance to people's "life"
- ✓ Database usable in Japan as well as overseas
- ✓ Database free from false information

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

# Our Top Priority Challenges for the Year Ending March 31, 2013

Business growth scenario for "HOME'S"

**Point** Promote a revenue expansion spiral through raising our property comprehensiveness and improving the matching rate

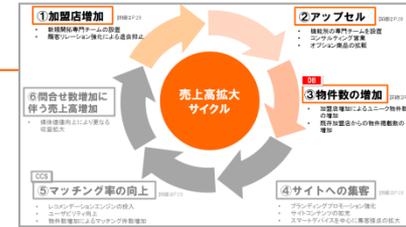


# Our Initiatives for the Year Ending March 31, 2013

In Japan: Enhance the “HOME’S” website

**Point**

Achieve an increased number of properties efficiently, driven by function-based marketing business units



Target	Business unit	Action points
Prospective affiliated store	New affiliated store prospecting activities by specialized teams	<ul style="list-style-type: none"> <li>New affiliated store prospecting activities by specialized teams</li> <li>Acquire new affiliated stores through proxy marketing services</li> </ul>
Existing affiliated store	Consulting-based marketing through regular visit services	<ul style="list-style-type: none"> <li>Consulting-based marketing utilizing market data</li> <li>Expand sales for optional products</li> </ul>
	Consulting-based marketing through telephone call services	<ul style="list-style-type: none"> <li>Seek to prevent membership withdrawals and a decline in the number of properties by enhancing our relationship with the existing affiliated stores</li> </ul>

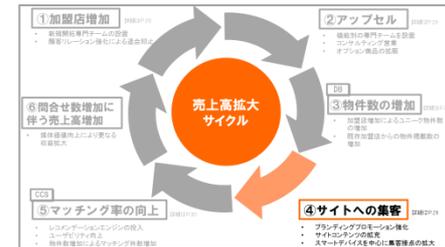
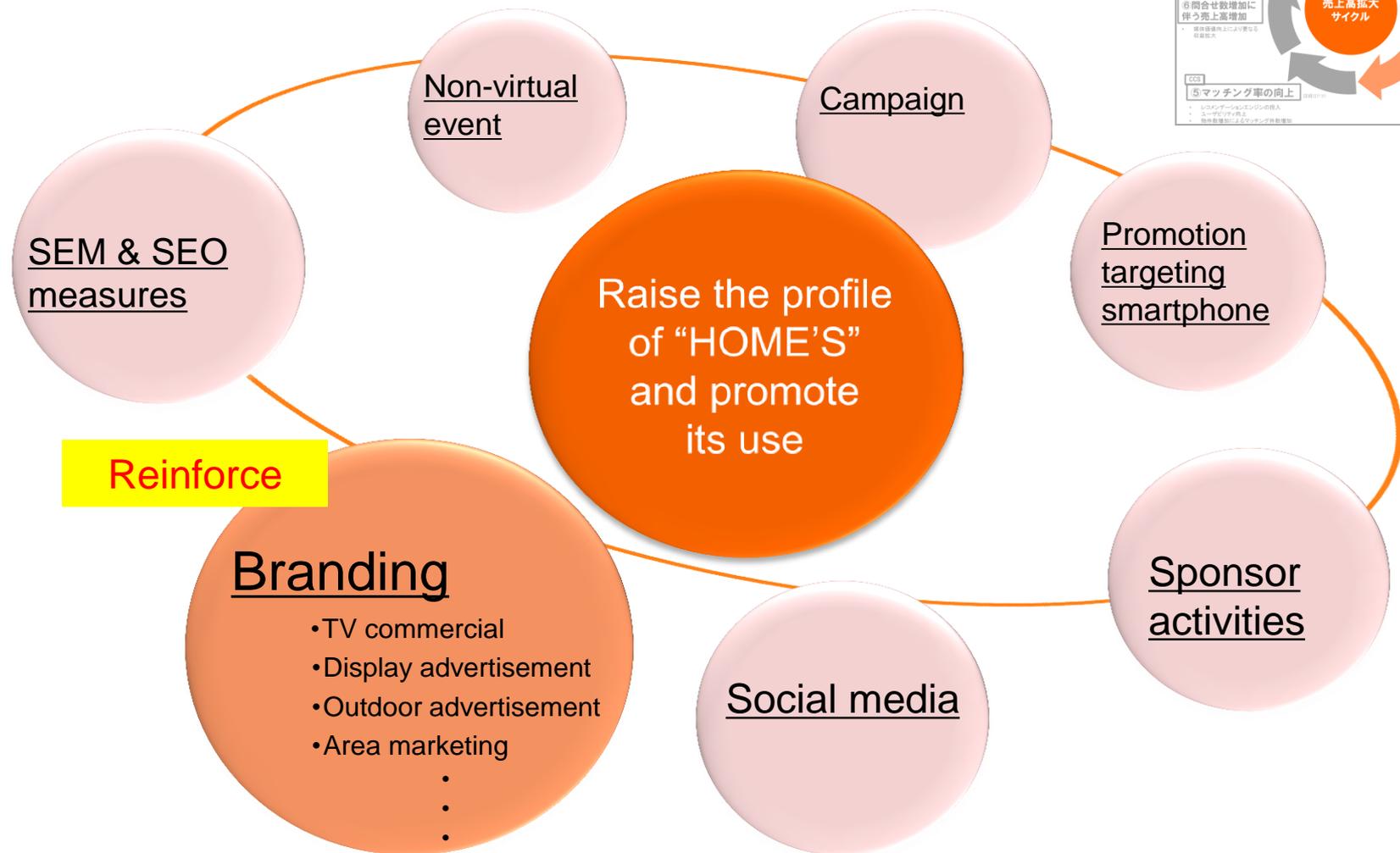
Attain an even greater number of properties

# Our Initiatives for the Year Ending March 31, 2013

In Japan: Enhance the "HOME'S" website

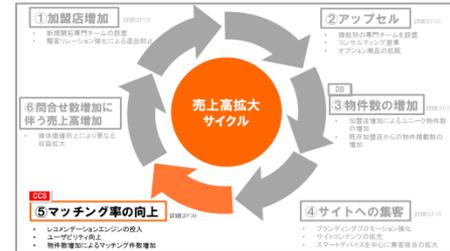
## Point

Expanding the advertising budget from 2.7 billion yen to 3.1 billion yen – Stepping up our branding promotion efforts to attain a greater customer drawing capability



**Point** Focus the efforts on smart devices and aim to launch recommendation services

**Step up our CCS = Achieve improved matching rates**  
(CCS: Communication & Concierge Service)



- Develop services designed for smart devices on a prioritized basis
- Roll out a recommendation engine
- Enhance the site contents
- Upgrade the functions to facilitate communication between the website user with the real estate company



**Aim to achieve expanded sales through attaining  
an increased number of inquiries**

# Our Initiatives for the Year Ending March 31, 2013

Overseas business development

**Point** Aim to provide multi-language-search-based comprehensible information site services offering integrated Asian real estate information

## Overseas strategy concept:

Start with the provision of real estate information service with a focus on Asia

## Background:

Asia offers the potential of rapid economic growth and substantial growth for the internet  
Many Asian areas have under-developed real estate information infrastructure (a situation akin to that for Japan a decade ago)



In April 2011, the "HOME'S" website became the first site in Japan to offer English and Chinese language services

Asian  
region  
information  
site

## **!** Check

### Priority points for our overseas strategy

#### Property comprehensiveness:

A website offering high levels of property comprehensiveness as is done by our website in Japan

Provide a wealth of integrated information covering all the segments, i.e. newly-built, previously-owned, rental and resort properties

#### Borderless:

Integrate real estate information into one single database, and make available a common information platform that allows the user to search Asian real estate information from any location in the world

#### Multi-language-based concierge services:

Make available a platform allowing the user to search, for example, Thai property information in English, Japanese and Chinese

Intend to also provide concierge services enabling the user to place an inquiry in different languages, in addition to the information search services

# Our Initiatives for the Year Ending March 31, 2013

Pursue overseas businesses



Strive to run our businesses stably in countries we have already expanded into and to continue considering new target countries

## ■ Internet penetration and GDP growth rates in Asian countries

Country (territory)	Internet users (million)	Internet penetration rate	GDP growth rate (past 3-year avg.)
	2011	2011	2009-2011
China	513	38.40%	9.6%
India	121	10.20%	7.9%
Japan	101	80.00%	▲0.6%
Indonesia	55	22.40%	5.7%
South Korea	40	82.70%	3.4%
Vietnam	30	33.70%	6.0%
The Philippines	29	29.20%	4.1%
Thailand	18	27.40%	1.9%
Malaysia	17	61.70%	3.5%
Taiwan	16	70.00%	4.3%
Hong Kong	4	68.70%	3.1%
Singapore	3	77.20%	6.2%

Source :Internet World Stats, JETRO

Country name in red: The countries NEXT has already expanded into

## ■ Current statuses and targets for countries NEXT has already expanded into

Countries NEXT has expanded into	Equity holding ratio*	Service launch	Current number of properties	Targeted number of properties for March 31, 2013	Targeted sales for FY 03/2015
Thailand	99.9%	Jan. 2012	123	200	50 to 60 million yen
China	40.2%	Apr. 2012	1 million	2.25 million	3.0 to 4.0 billion yen
Indonesia	50.0%	May 2012 (plan)	—	—	30 to 40 million yen
Taiwan	12.2%	Equity participation in a local portal site			

\*Includes indirect equity participation



■ Thai version of "HOME'S"



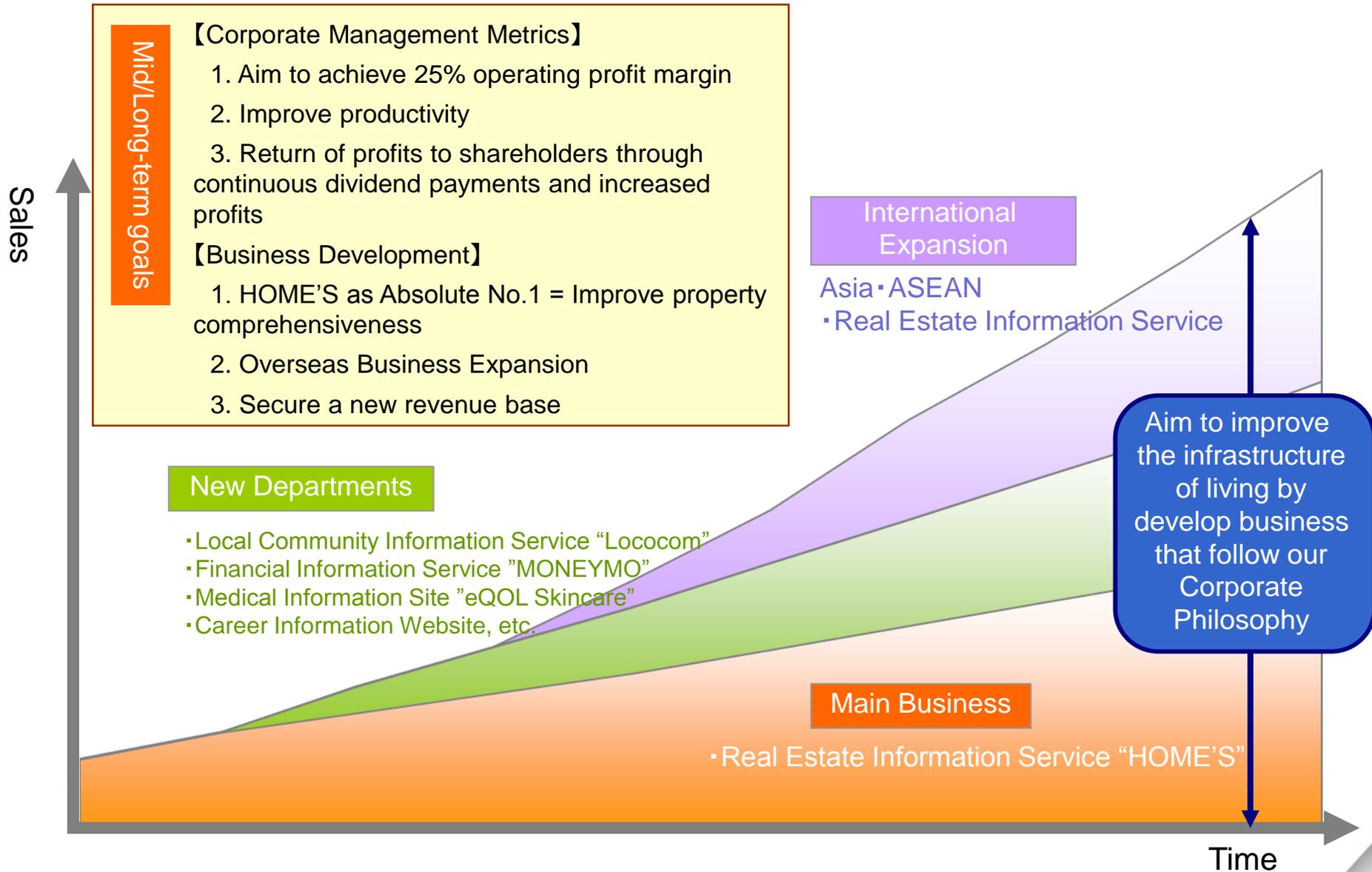
■ China version of "HOME'S"



■ Local portal site in Taiwan (Rakuya.com)

# Our Initiatives for the Year Ending March 31, 2013

The concept of our future business development



## Company Credo

### Altruism

Our priority is making people happy.  
Everyone in the world: Consumers, Clients,  
Coworkers, Family, and so on...

## Corporate Philosophy (NEXT Group Vision)

Create a society where everyone can  
attain comfort and happiness through  
continuing social innovations.



# Reference Materials

● Reference Materials	•••Page 35 – 49
Our goal in founding NEXT	•••Page 36
NEXT's service offerings	•••Page 37
Real Estate Information Service "HOME'S"	•••Page 38
The NEXT Group's overseas business strategy	•••Page 39 – 42
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IR information contact details and "IR News"	•••Page 49

Eliminate the world's “**negatives**” such as “worry,” “dissatisfaction,” and “inconvenience”



We at NEXT seek to provide all kinds of lifestyle services through the internet to help people in the world lead comfortable lives with peace of mind

NEXT seeks to provide, through the internet, all kinds of lifestyle services related to not only “residential properties” but also “local community” and “medical services” in order to help people in the world lead comfortable lives with a peace of mind anytime anywhere

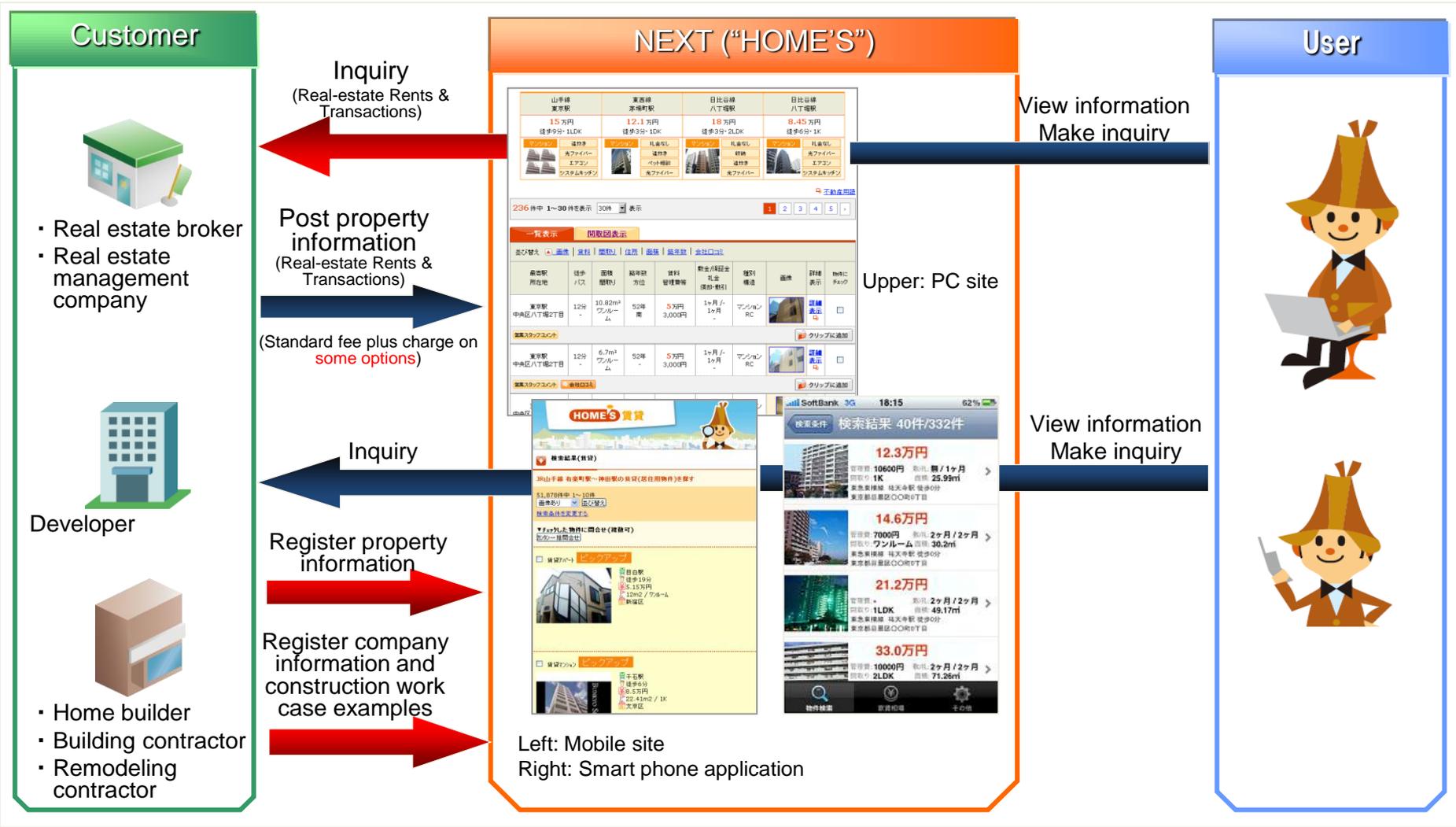


Career education services  
Career planning service



# “HOME’S” Business Model

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



**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

① Kingdom of Thailand



- ▼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)  
 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%)

**Point** Entered into a capital alliance with Taiwan's top-class portal site operator with the aim of expanding our business globally

**Check**

③ Taiwan

Equity participation target:  
Rakuya International Info. Co. Ltd.

The portal operated: Rakuya.com  
<URL: <http://www.rakuya.com.tw/>>

Equity interest value: 66.12 million Taiwan dollars  
(approx. 170.85 million yen)

Equity interest ratio: 12.18% held by NEXT



▼ Rakuya International Info. Co., Ltd.

▶ Runs Rakuya.com, Taiwan's leading real estate information portal site with property listings of more 400,000

▶ Rakuya's shareholders are composed of companies that are well versed in internet services and the real estate business and have already expanded in the China market, so NEXT expects to enjoy synergistic effects

▶ Receives from NEXT its technological expertise and the knowhow for running the "HOME'S" website

▶ NEXT seconds one Director to Rakuya

▼ Local competitors

▶ Top eight local operators account for one quarter of the Taiwanese real estate market

▶ The affiliated store business model and directly-run store business model coexisting: 70% of the market is accounted for by small- to medium-sized real estate brokers

▼ Market conditions

▶ Internet users: Approx. 16.14 million  
Internet penetration rate: Approx. 70%

▶ Mass media advertising spending (2010):  
Approx. 141.1 billion yen  
Internet advertising market size: Approx. 24.0 billion yen, representing about 17% of the nation's entire advertising spending

▶ Taiwan's newly-built housing market amounted to 4 trillion yen for 2011  
The country's real estate trading market is likely to be worth over 10 trillion yen

▶ Taiwan is ranked 4th in the world and 3rd in Asia in terms of real estate market value appreciation rate  
Taiwan's top eight real estate operators account for one quarter of the local market

**Point** → NEXT made an Indonesian company its local subsidiary in Indonesia, the market that is expected to post a fast-paced growth

**Check**

④ Indonesia  
 Planned service launch: May 2012  
 Format: Subsidiary (a 50.0% stake acquired)  
 Services: Real estate information service  
 Concierge services



▼ PT. Rumah Media

- ▶ A partnership with the company having human connections with the nation's political and business circles as well as high net worth individuals owning properties
- ▶ "HOME'S" service appeal
- ▶ "HOME'S" site operation knowhow
- ▶ NEXT's technological expertise
- ▶ NEXT seconds a COO

▼ Local competitors

- ▶ IPGA and PropertyGuru entered the portal business market ahead of competitors
- ▶ The number of properties advertised by the two operators represents a mere 0.16% (80,000 units) at a maximum of the entire number of the nation's properties (50 million units)
- ▶ Insufficient amount of information available, services and customer drawing ability  
Lack of high-quality agents

▼ Market conditions

- ▶ Indonesia's population is the fourth largest in the world, and the nation's per capita income grew by 15.3% per year from 2004 to 2010
- ▶ Internet user population: 39.6 million (ranked 4<sup>th</sup> in Asia)  
Likely to grow to 85 million by 2015
- ▶ Strong housing demand due to the growing population and a rapid urbanization
- ▶ Needs for high-end rental properties for expatriates  
Japanese nationals living in Indonesia: 12,469 persons (up 6.6% year on year; as of October 1, 2011)

# Additional information

## Summary of Statements of income

Unit: Million yen	FY03/2012	FY03/2012	FY03/2013	FY03/2013
	1H (Actual)	2H (Actual)	1H (Forecast)	2H (Forecast)
Sales	4,820	5,499	4,951	5,381
Cost of sales	95	133	171	182
Selling, general & administrative (SG&A) expenses	4,440	4,635	4,431	5,010
Personnel costs	1,653	1,532	1,559	1,509
Advertising costs	1,154	1,580	1,243	1,885
Operating expense	104	136	160	183
Depreciation/amortization cost	243	236	221	253
Allowances of uncollectible receivables and performance guarantee	15	▲15	9	9
Other selling, general & administrative (AS&A) expenses	1,268	1,164	1,238	1,170
Operating profit	251	700	347	188
Net profit	74	391	154	61
Operating profit margin (OPM)	5.2%	12.7%	7.0%	3.5%

## Sales per segment

Unit: Million yen	Segment	FY03/2012	FY03/2012	FY03/2013	FY03/2013
		1H (Actual)	2H (Actual)	1H (Forecast)	2H (Forecast)
Real estate information	Real Estate Rents & Transactions	2,804	3,152	2,724	2,977
	New condominium	681	721	675	722
	New detached house	639	765	749	788
	Custom-built house and refurbishment	266	329	324	324
	Renter's Co., Ltd.	185	213	223	239
	Others	197	263	186	236
Local information services	Lococom	14	16	17	31
Others	Others	29	37	47	60
Total		4,820	5,499	4,951	5,381

# Additional information

## Statements of income

	Previous year FY03/2011		Current year FY03/2012		Comparison	
	Amount	Ratio	Amount	Ratio	Change	Percentage change
Sales	10,738	100.0%	10,319	100.0%	△418	△3.9%
Real estate information services	10,407	96.9%	10,222	99.1%	△185	△1.8%
Real Estate Rents & Transactions	7,096	66.1%	5,956	57.7%	△1,139	△16.1%
New condominium	1,131	10.5%	1,403	13.6%	+271	+24.0%
New detached house	994	9.3%	1,404	13.6%	+409	+41.2%
Custom-built house and refurbishment	501	4.7%	596	5.8%	+94	+18.9%
Renter's Co., Ltd.	331	3.1%	399	3.9%	+67	+20.4%
Others	351	3.3%	461	4.5%	+110	+31.5%
Local information services	35	0.3%	30	0.3%	△4	△13.9%
Guarantor operating business	268	2.5%	—	—	△268	—
Others	26	0.2%	67	0.6%	+40	+150.6%
Cost of sales	229	2.1%	291	2.8%	+62	+27.2%
Selling, general & administrative (SG&A) expenses	8,759	81.6%	9,075	87.9%	+316	+3.6%
Personnel costs	3,507	32.7%	3,186	30.9%	△321	△9.2%
Advertising costs	2,460	22.9%	2,735	26.5%	+274	+11.2%
Operating expense	313	2.9%	240	2.3%	△72	△23.2%
Depreciation/amortization cost	367	3.4%	479	4.6%	+112	+30.6%
Allowances of uncollectible receivables and performance guarantee	81	0.8%	—	—	△81	—
Other selling, general & administrative (AS&A) expenses	2,028	18.9%	2,433	23.6%	+404	+19.9%
Operating profit	1,749	16.3%	952	9.2%	△797	△45.6%
Net profit	1,107	10.3%	465	4.5%	△641	△57.9%

## Number of Affiliated Stores and Properties Posted of 「HOME'S Real Estate Rents & Transactions」

Unit : stores	FY03/2011	FY03/2012	Comparison		Unit : properties	FY03/2011	FY03/2012	Comparison	
			Change	Percentage change				Change	Percentage change
Number of Affiliated Stores	9,563	9,926	+363	+3.8%	Number of Properties Posted	2,483,612	3,396,226	+912,614	36.7%
Hokkaido & Tohoku	252	253	+1	+0.4%	Hokkaido & Tohoku	127,708	190,179	+62,471	48.9%
North Kanto	228	232	+4	+1.8%	North Kanto	74,606	106,489	+31,883	42.7%
Capital Region	6,342	6,598	+256	+4.0%	Capital Region	1,034,755	1,461,263	+426,508	41.2%
Hokuriku & Koshinetsu	150	156	+6	+4.0%	Hokuriku & Koshinetsu	54,095	66,215	+12,120	22.4%
Tokai	394	408	+14	+3.6%	Tokai	262,349	306,543	+44,194	16.8%
Kinki	1,730	1,824	+94	+5.4%	Kinki	701,503	922,433	+220,930	31.5%
Chugoku	138	108	△30	△21.7%	Chugoku	70,500	106,550	+36,050	51.1%
Shikoku	93	98	+5	+5.4%	Shikoku	42,790	61,159	+18,369	42.9%
Kyushu & Okinawa	236	249	+13	+5.5%	Kyushu & Okinawa	115,306	175,395	+60,089	52.1%
(Unit : yen)									
Price of Affiliated Stores	56,095	57,649	1,554	+2.8%					

# Additional information

Quarterly consolidated statements of income

	FY03/2011				FY03/2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,899	2,613	2,584	2,640	2,357	2,462	2,486	3,012
Real estate information	2,612	2,603	2,568	2,623	2,337	2,438	2,462	2,983
Real Estate Rents & New condominium	1,843	1,808	1,750	1,693	1,398	1,405	1,415	1,737
New detached house	258	267	279	326	320	361	330	390
m-built house and refurbish	220	231	256	286	304	335	364	400
Renter's Co., Ltd.	123	120	119	138	129	137	149	179
Others	86	78	79	87	89	95	102	110
Local information services	80	97	82	91	94	103	99	163
Local information services	8	7	9	9	5	9	9	7
Guarantor operating busin	268	—	—	—	—	—	—	—
Others	9	2	7	6	14	14	14	22
Cost of sales	46	49	59	73	58	70	68	94
Selling, general & administrat	2,162	1,923	2,076	2,597	2,305	2,134	2,083	2,552
Personnel costs	943	838	867	857	911	742	686	845
Advertising costs	454	525	517	963	567	587	619	961
Operating expense	107	80	71	53	50	53	68	68
Depreciation/amortization	81	77	83	123	119	124	117	118
Allowances of uncollectible	56	10	3	10	2	13	1	△17
Other selling, general & ad	518	390	532	587	654	614	589	575
Operating profit	690	641	448	△30	△5	257	334	366
Net profit	296	603	253	△45	△11	85	178	212
Operating profit margin	23.8%	24.5%	17.3%	△1.1%	△0.3%	10.5%	13.5%	12.2%

Quarterly statements of income

	FY03/2011				FY03/2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,411	2,535	2,505	2,553	2,267	2,366	2,383	2,902
Real estate information	2,402	2,524	2,488	2,536	2,247	2,342	2,359	2,872
Real Estate Rents & New condominium	1,843	1,808	1,750	1,693	1,398	1,405	1,415	1,737
New detached house	258	267	279	326	320	361	330	390
m-built house and refurbish	—	120	119	138	129	—	—	—
Others	80	97	82	91	94	240	249	343
Local information services	9	7	9	9	5	9	9	7
Others	0	2	7	6	14	14	14	22
Cost of sales	34	40	51	63	49	61	59	83
Selling, general & administrat	1,765	1,870	2,021	2,537	2,245	2,073	2,023	2,490
Personnel costs	772	807	834	823	873	703	650	808
Advertising costs	423	525	517	962	567	587	619	961
Operating expense	52	77	69	51	48	51	63	64
Depreciation/amortization	69	72	76	116	114	119	111	112
Allowances of uncollectible	0	9	3	10	2	12	1	△16
Other selling, general & ad	447	377	518	573	640	600	576	559
Operating profit	611	624	433	△47	△27	231	300	329
Net profit	307	8	245	△54	△21	73	165	198
Operating profit margin	25.4%	24.6%	17.3%	△1.9%	△1.2%	9.8%	12.6%	11.3%

Quarterly consolidated sales and operating profit and loss per segment

	FY03/2011				FY03/2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,899	2,613	2,584	2,640	2,357	2,462	2,486	3,012
Real estate information	2,612	2,603	2,568	2,623	2,337	2,438	2,462	2,983
Local information services	8	7	9	9	5	9	9	7
Guarantor operating busin	268	—	—	—	—	—	—	—
Others	9	2	7	6	14	14	14	22
Operating profit	690	641	448	△30	△5	257	334	366
Real estate information	769	720	566	117	307	583	508	514
Local information services	△91	△70	△70	△83	△215	△214	△142	△60
Guarantor operating busin	19	—	—	—	—	—	—	—
Others	△8	△8	△47	△63	△97	△111	△30	△87
Operating profit margin	23.8%	24.5%	17.3%	△1.1%	△0.3%	10.5%	13.5%	12.2%
Real estate information	29.5%	27.7%	22.1%	4.5%	13.1%	23.9%	20.6%	17.2%
Local information services	—	—	—	—	—	—	—	—
Guarantor operating busin	7.7%	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—

### 【Number of Apartments for Sales( annual)】

Source:Real Estate Economic institute Co.LTD

	2006	2007	2008	2009	2010	2011	Jan-12	Feb-12	Mar-12
Capital Region	74,463	61,021	43,733	36,376	44,535	44,499	1,819	3,918	3,462
year-on-year	△11.5%	△18.1%	△28.3%	△16.8%	+22.4%	△0.1%	+32.6%	+13.0%	△6.1%
Kinki	30,146	30,219	22,744	19,784	21,716	20,219	1,007	1,394	2,316
year-on-year	△8.8%	+0.2%	△24.7%	△13.0%	+9.8%	△6.9%	△22.6%	△7.1%	+34.7%
Other	51,257	42,430	31,560	23,435	18,450	21,864			
year-on-year	+2.0%	△17.2%	△25.6%	△25.7%	△21.3%	+18.5%			
Nationwide	155,866	133,670	98,037	79,595	84,701	86,582			
year-on-year	△6.9%	△14.2%	△26.7%	△18.8%	+6.4%	+2.2%			

### 【Trend of Price for Apartements( annual)】

Source:Real Estate Economic institute Co.LTD

unit:ten thousand yen	2006	2007	2008	2009	2010	2011	Jan-12	Feb-12	Mar-12
Capital Region	4,200	4,644	4,775	4,535	4,716	4,578	4,309	4,475	4,668
year-on-year	+2.2%	+10.6%	+2.8%	△5.0%	△4.0%	△2.9%	+1.7%	△5.1%	△0.1%
Kinki	3,380	3,478	3,513	3,411	3,452	3,490	3,279	3,232	3,749
year-on-year	+6.8%	+2.9%	+1.0%	△2.9%	+1.2%	+1.1%	△5.9%	△7.8%	+11.0%
Nationwide	3,560	3,813	3,901	3,802	4,022	3,896			
year-on-year	+2.0%	+7.1%	+2.3%	△2.5%	+5.8%	△3.1%			

### 【New build properties( annual)】

Source:Ministry of Land, Infrastructure, Transport and Tourism

	2006	2007	2008	2009	2010	2011	Jan-12	Feb-12	Mar-12
House for rent	543,463	441,733	464,851	321,470	298,014	285,832	24,256	22,798	23,468
year-on-year	+7.8%	△18.7%	+5.2%	△30.8%	△7.3%	△4.1%	+1.1%	+9.4%	+7.8%
Apartment house	238,614	168,918	182,555	76,678	90,597	116,755	10,167	11,254	10,167
year-on-year	+4.0%	△29.2%	+8.1%	△58.0%	+18.2%	+28.9%	△2.6%	+19.5%	△2.6%
House	138,261	124,238	115,785	91,254	110,358	116,798	9,594	9,967	9,703
year-on-year	+0.3%	△10.1%	△6.8%	△21.2%	+20.9%	+5.8%	+2.3%	+6.2%	+4.1%
Owned properties	358,519	314,865	318,511	284,631	305,221	305,626	21,687	22,462	22,335
year-on-year	+1.5%	△1.2%	+1.2%	△10.6%	+7.2%	+13.3%	△2.7%	+0.2%	△2.3%

### 【Internal migrants( annual)】

Source:Ministry of Internal Affairs and Communications

	2006	2007	2008	2009	2010	2011	Jan-12	Feb-12	Mar-12
Internal migrants	5,564,346	5,498,941	5,356,935	5,300,025	5,084,579	5,044,239	295,525	337,747	842,438
year-on-year	△0.7%	△1.2%	△2.6%	△1.1%	△4.1%	△0.8%	+0.0%	+4.6%	△1.3%

### 【Trend of Population and Household ( annual)】

Source:Ministry of Internal Affairs and Communications

	2006	2007	2008	2009	2010	2011	Jan-12	Feb-12	Mar-12
Population(ten thousand persons)	12,777	12,777	12,769	12,751	12,806	12,772	12,773	12,770	12,765
year-on-year	+0.00%	+0.00%	△0.06%	△0.14%	+0.43%	△0.27%	△0.23%	△0.22%	△0.22%
Household (thousand)	47,531	48,023	47,957	48,013					
year-on-year	+1.0%	+1.0%	△0.1%	+0.1%					

# Corporate profile

Company name	NEXT Co., Ltd (TSE 1 <sup>st</sup> 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: 18,770,000 shares
Consolidated number of employees	523 (including contingent employees totaling 23) A decrease of 74 from March 31, 2011
Business contents	Real estate information service Local information service Others
Number of shareholders	3,380 (as of March 31, 2012)    A decrease of 354 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 <sup>rd</sup> 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%)

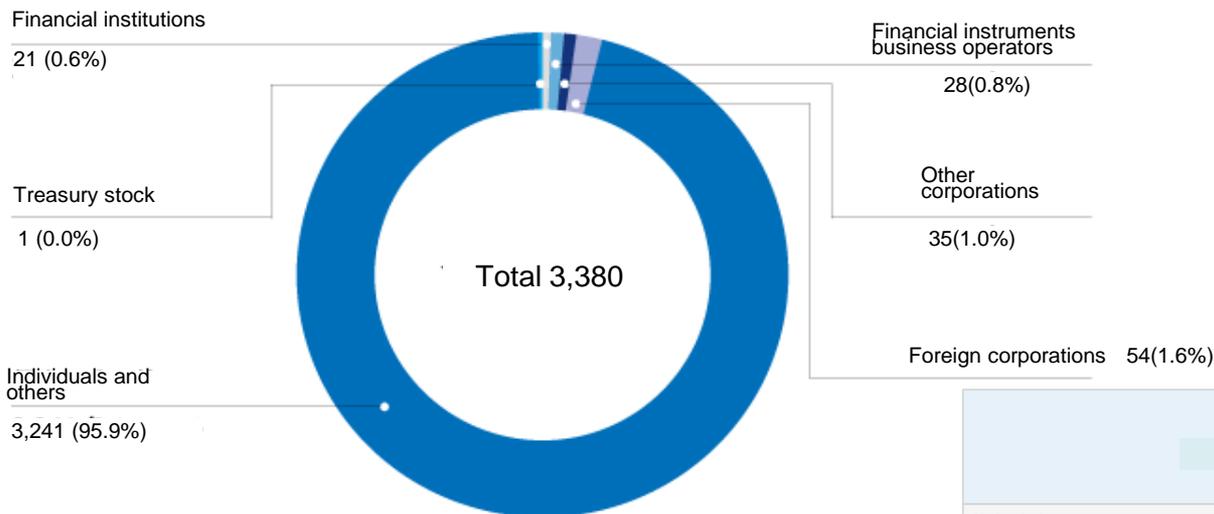
As of March 31, 2012

# Shareholder composition

**Point** Decrease of 354 shareholders from March 31, 2012 to 3,380 shareholders

Number of shareholders 3,380(As of March 31, 2012), Decrease of 354 from March 31, 2011

Major shareholders NEXT Co., Ltd. Directors  
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	7,023,500	37.41
Rakuten Inc.	3,000,000	15.98
J.P. MORGAN CLEARING CORP-SEC	954,200	5.08
Tapug Corporation	915,800	4.87
Baillie Gifford Japan Trust PLC	207,800	1.10
NEXT Co., Ltd. Employee Shareholding Association	202,400	1.07
Bank of New York GCM Client Accounts JPRD ISG (FE-AC)	202,100	1.07
Japan Trustee Services Bank, Ltd. (Trust Account)	196,400	1.04
Prospect Japan Fund Ltd.	182,100	0.97
GOLDMAN SACHS & CO. (Regular Account)	174,300	0.92
<b>Total</b>	<b>13,058,600</b>	<b>69.57</b>

## Number of shares

Item	Status of shares								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	Total	
Number of shares held	0	887,000	203,964	4,188,900	3,197,835	10,280,301	12,000	18,770,000	370
Shareholdings percentage of the total	0.0	4.7	1.1	22.3	17.0	54.8	0.1	100.0	0.0%

# IR Information Contact Details



## Contact

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<http://www.next-group.jp/en/index.html> (English)



## 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.

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