

**Brief Report of the Settlement of Accounts (Consolidated, Japanese Standard)
for the 2nd Quarter of March 2012**

November 9, 2011

Listed company name: NEXT Co., Ltd. Listed exchange market: Tokyo Stock Exchange
Code Number: 2120 URL: <http://www.next-group.jp/>
Representative: (Position) President and CEO
(Name) Takashi Inoue
Contact person: (Position) Director and General Manager of administration
(Name) Kokichi Hamaya TEL: (03) 5783-3603
Scheduled quarterly securities report submission date: November 9, 2011
Preparation of support documentations for the settlement of accounts: Yes
Meetings for the settlement of accounts: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the period ended March, 2011 (From April 1, 2011 to September 30, 2011)

(1) Consolidated results of operations

(Percentages indicate an increase or decrease in ratio from the previous financial year.)

	Sales		Operating profit		Current profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q of FY2012	4,820	(12.6)	251	(81.1)	267	(80.0)	74	(91.7)
2Q of FY2011	5,513	8.6	1,331	67.1	1,336	64.8	899	106.2

(Note) Comprehensive income: 2Q of FY2012 70 million yen (-92.2%) 2Q of FY2011 904 million yen (_%)

	Net profit per share	Diluted net income per share
	Yen	Yen
2Q of FY2012	3.98	3.97
2Q of FY2011	48.06	47.82

(2) Consolidated financial position

	Total assets	Net assets	Shareholder equity ratio
	Million yen	Million yen	%
2Q of FY2012	9,184	8,077	87.9
2Q of FY2011	9,711	8,115	83.6

(Reference) Shareholder equity: 2Q of FY2012 8,077 million yen FY2011 8,115 million yen

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of quarter	Total
	Yen	Yen	Yen	Yen	Yen
FY 03/2011	—	0.00	—	590.00	590.00
FY 03/2012	—	0.00	—	—	—
FY03/2012(Forecast)	—	—	—	1.90	1.90

(Notes) Changes from the latest consolidated results forecast: Yes

That the Company executed a 100-to-1 stock split of shares of common stock effective October 1, 2011.

3. Forecast of consolidated performance for FY 03/2012 (From April 1, 2011 to 31 March, 2012)

(For the full-year, the percentage indicates an increase or decrease in the ratio from the previous financial year)

	Sales		Operating profit		Current profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	9,899	(7.8)	567	(59.7)	591	(58.6)	233	(85.2)	12.43

(Notes) Changes from the latest consolidated results forecast: Yes

4. Others

(1) Changes in material subsidiaries during the period (changes in specified subsidiaries accompanying the change in the scope of consolidation): No

(2) Application of specific accounting methods for producing quarterly consolidated financial statements: No

(3) Changes in the principle, procedures, and display of the accounting process

1) Changes in relation to amendments in the accounting standard: No

2) Changes other than 1): No

3) Changes in accounting estimates: No

4) Restatements: No

(4) Number of shares outstanding (common shares)

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

2) Amount of treasury stock at the end of the period

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

2Q of FY2012	18,770,000 shares	FY 03/2011	18,765,000 shares
2Q of FY2012	12,000 shares	FY 03/2011	12,000 shares
2Q of FY2012	18,755,735 shares	FY 03/2011	18,726.448 shares

1. Qualitative Information on Quarterly Financial Results

(1) Qualitative Information on Consolidated Financial Results

In its medium-term management plan, the NEXT Group sets out its aim of becoming a global company with a Database + Communication Concierge Service (DB + CCS), and toward this end, has been accumulating, sorting and integrating the flood of information circulating around the world and providing optimal information through a wealth of devices to users.

Based on this strategy, the Company, starting from April 2011, launched Japan's first, English- and Chinese-compatible, property information search service on "HOME'S," the nation's largest residential/real estate information portal site run by the Company; thus enabling multilingual searches of the approximately 3.26 million properties (average number of property information in September 2011) in Japan. In addition to this multilingualization, the Company is moving ahead with studies to launch businesses in approximately three countries in the East Asia/Southeast Asia region during the fiscal year ending March 31, 2012. As announced in the "Notice of commencement of application procedures toward the establishment of an overseas subsidiary in the Kingdom of Thailand ("Thailand")," dated July 22, 2011, the Company, in September 2011, established the Group's first overseas subsidiary, "HOME'S PROPERTY MEDIA (THAILAND) CO., LTD." (99.9% ownership) in Thailand. Plans are underway for the overseas subsidiary to operate a portal site similar to "HOME'S," Japan's largest residential/real estate information portal site run by the Company, and provide services that will enable Thai users to browse information on properties in Thailand. Furthermore, as announced in the "Notice of equity investments toward the commencement of real estate information portal services in China," dated August 19, 2011, the Company is also moving forward with plans to provide real estate information services in China.

In January 2011, the pricing method for "HOME'S Rental & Real Estate Trade," the main service of the Real estate information services business, changed from the pay-per-posting-based fee structure to the pay-per-inquiry-based fee structure, which, despite precipitating a dramatic increase in the number of properties, has resulted in a year-on-year decrease in sales. In order to address the priority task of increasing the number of inquiries, the Company, during the cumulative consolidated 2nd quarter of the fiscal year ending March 31, 2012 ("six months ended September 30, 2011"), engaged in a number of initiatives, including the renovation of the website and advertising activities to increase the number of customers for each device such as PCs, mobile phones and smart phones. Nevertheless, such efforts did not lead directly to dramatic increases in sales.

In "Lococom," the Local information services business (Note), President & CEO, Takashi Inoue, took the lead in efforts to speed up the posting of profits, by implementing a complete renewal of the PC/mobile site in April 2011, followed by the launch of a smart phone-compatible site, and the commencement of services that integrate "geographical x social x real time" elements and that grants points to users for actions that will lead to revitalization of communities, including GPS-synchronized check-ins and coupon use, social networking and posting of word-of-mouth. At the same time, Lococom's business model was changed from an advertising model to a performance-based model that depended on the number of coupon users. However, the increase in the number of visitors to the site has failed to materialize so far, which has meant slow growth in the number of coupon users and a failure to increase profits. Consequently, as announced in the "Notice concerning the posting of extraordinary loss and differences between the consolidated business forecast and actual results for the cumulative 2nd quarter," dated November 9, 2011, impairment losses were declared for the entire amount of software relating to "Lococom" during the six months ended September 30, 2011, and an impairment loss of 113,500 thousand yen was posted.

As a result, for the six months ended September 30, 2011, the Company posted consolidated sales of 4,820,283 thousand yen (decrease of 12.6% year-on-year), operating profit of 251,632 thousand yen (decrease of 81.1% year-on-year), ordinary profit of 267,254 thousand yen (decrease of 80.0% year-on-year) and net profit of 74,567 thousand yen (decrease of 91.7% year-on-year).

Note: Starting from the current fiscal year, the "Local community services" segment changed its name to "Local information services." The change in the name of the segment has had no effect on segment information.

Consolidated sales and operating profit (loss) by reportable segment for the six months ended September 30, 2011 were as follows.

(Unit: thousand yen)

Segment name	Sales		Operating profit (loss)	
	Amount	Year-on-year change (%)	Amount	Year-on-year change (%)
(1) Real estate information services	4,776,195	(8.4)	890,452	(40.2)
(2) Local information services	14,193	(18.2)	(430,611)	(Note 2) —
(3) Others	29,894	+141.3	(208,208)	(Note 3) —

Notes

1. Intersegment transactions have not been offset or eliminated.
2. Operating loss of 160,661 thousand yen was recorded for the same period of the previous fiscal year
3. Operating loss of 17,156 thousand yen was recorded for the same period of the previous fiscal year.
4. The Guarantor Operating Business, which had been a reportable segment until the previous fiscal year, has been excluded in conjunction with the sales of all shares of NFS Co., Ltd., which corresponded to said segment, on August 2, 2010, and the exclusion of said company from the scope of consolidation on July 1, 2010. The Guarantor Operating Business posted sales of 268,819 thousand yen and operating profit of 19,342 thousand yen in the same period of the previous fiscal year.

For more detailed information on the financial results, including the status of each segment and the following items, please see "Report of Financial Results for the Six Months Ended September 30, 2011," announced on November 2, 2011, on the Company's IR website.

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

<Main matters regarding account settlement explanatory information>

- Shift in operating profit and loss: Causes of increase and decrease in main expenses and the shift in ratios in sales.
- Shift in sales per service: Shift in sales to a more detailed unit per segment and the causes of increases and decreases
- Status of the business performance forecast: Progress of sales per service and the main expenses for the business forecast.
- Topics: Main approaches per segment
- Data per quarter: Income statement (simplified version), sales per service, and profit & loss per segment
- Collection of external statistic data: Number of apartments sold, prices of apartments, number of projects commenced for New detached houses, number of people relocating throughout Japan, population and the number of households.

(2) Qualitative Information on Consolidated Financial Condition

(Assets)

Current assets declined by 285,921 thousand yen from the end of the previous consolidated fiscal year ("previous year-end") to 6,555,820 thousand yen. This was primarily due to the increase of 1,820,955 thousand yen in cash and deposits, the decrease of 1,510,964 thousand yen in securities, the decrease of 359,364 thousand yen in corporate taxes receivable, and the decrease of 121,480 thousand yen in accounts receivable.

Fixed assets declined by 240,939 thousand yen from the previous year-end to 2,628,789 thousand yen. This was primarily due to the decrease of 99,165 thousand yen in property, plant and equipment through depreciation, and the decrease of 144,485 thousand yen in intangible fixed assets through the impairment of software.

As a result of the above, total assets came to 9,184,610 thousand yen, representing a decrease of 526,861 thousand yen from the previous year-end.

(Liabilities)

Current liabilities declined by 488,495 thousand yen from the previous year-end to 867,120 thousand yen. This was primarily due to the decrease of 338,876 thousand yen in accounts payable-other, the decrease of 188,580 thousand yen in allowance for bonuses, the increase of 32,863 thousand yen in accrued consumption taxes and the increase of 25,486 thousand yen in accrued corporate taxes.

Fixed liabilities increased by 238 thousand yen from the previous year-end to 240,352 thousand yen. This was primarily due to the increase of 949 thousand yen in asset retirement obligations and the decrease of 1,711 thousand yen in deferred tax liabilities.

As a result of the above, total liabilities came to 1,107,472 thousand yen, representing a decrease of 488,257 thousand yen from the previous year-end.

(Net assets)

Net assets declined by 38,603 thousand yen from the previous year-end to 8,077,137 thousand yen. This was primarily due to the increase of 74,567 thousand yen in accumulated income through the posting of net profit and the decrease of 110,642 thousand yen in accumulated income as a result of payment of dividends.

(3) Qualitative Information on Consolidated Business Forecast

In light of recent trends in financial results and other factors, the Company, as announced in the “Notice concerning differences between the consolidated business forecast and actual results for the cumulative 2nd quarter, the posting of extraordinary loss, revisions to the full-year forecast and dividend forecast, and decrease in executive compensation” (“Revised forecast”), dated November 9, 2011, has revised its consolidated business forecasts for the fiscal year ending March 31, 2012, which were announced on May 12, 2011.

Revisions to the consolidated business forecast for the full year ending March 31, 2012 (April 1, 2011 through March 31, 2012)

(Unit: million yen)

	Sales	Operating profit	Ordinary profit	Net profit
Previous forecast (A)	11,739	1,372	1,421	773
Revised forecast (B)	9,899	567	591	233
Change (B-A)	(1,840)	(804)	(830)	(540)
Percentage change (%)	(15.7)	(58.7)	(58.4)	(69.9)
(Reference) Previous FY results (FY ended March 31, 2011)	10,738	1,749	1,758	1,107

For details, see the Revised Forecast and the “Report of Financial Results for the Six Months Ended September 30, 2011,” announced on November 9, 2011, on the Company’s IR website.

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

2. Matters Related to Summary Information (Others)

(Application of Accounting Standards for Earnings Per Share)

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

Effective from the 1st quarter of the fiscal year ending March 31, 2012, the Company adopted the “Accounting Standards for Earnings Per Share” (ASBJ Statement No. 2, June 30, 2010), the “Guidance on Accounting Standards for Earnings Per Share” (ASBJ Guidance No. 4, June 30, 2010) and the “Practical Solution on Accounting for Earnings Per Share” (PITF No. 9, June 30, 2010). Although a stock split was conducted after the quarterly balance sheet date, as a result of applying these Standards, net income per share and diluted net income per share have been calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year. Net income per share and diluted net income per share for the previous cumulative 2nd quarter, assuming that the above accounting standards had not been applied are as follows.

Net income per share: 4,805.71yen

Diluted net income per share: 4,781.70yen

3. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(unit: thousand yen)

	As of March 31, 2011	As of September 30, 2011
Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	3,196,600	5,017,555
Accounts receivable-trade	1,123,340	1,001,860
Short-term investment securities	1,510,964	-
Inventories	4,191	3,138
Deferred tax assets	155,367	95,203
Accounts receivable-other	276,771	225,534
Income taxes receivable	359,364	-
Other	259,945	252,764
Allowance for doubtful accounts	(44,802)	(40,236)
Total current assets	6,841,742	6,555,820
Noncurrent assets		
Property, plant and equipment		
Buildings	647,016	648,488
Accumulated depreciation	(35,391)	(87,526)
Buildings, net	611,624	560,962
Tools, furniture and fixtures	657,061	673,181
Accumulated depreciation	(371,613)	(436,236)
Tools, furniture and fixtures, net	285,448	236,945
Total property, plant and equipment	897,072	797,907
Intangible assets		
Goodwill	226,738	200,064
Software	620,473	581,765
Software in progress	108,687	30,018
Other	8,608	8,172
Total intangible assets	964,507	820,021
Investments and other assets		
Investment securities	29,485	23,112
Bad debts	49,333	71,587
Deferred tax assets	95,829	109,277
Lease and guarantee deposits	854,704	853,669
Other	18,244	10,330
Allowance for doubtful accounts	(39,448)	(57,115)
Total investments and other assets	1,008,148	1,010,859
Total noncurrent assets	2,869,728	2,628,789
Total assets	9,711,471	9,184,610

(unit: thousand yen)

	As of March 31, 2011	As of September 30, 2011
Liabilities		
Current liabilities		
Accounts payable-trade	40,940	29,273
Accounts payable-other	816,607	477,730
Income taxes payable	18,870	44,356
Provision for bonuses	361,489	172,909
Provision for directors' bonuses	-	5,000
Other	117,708	137,849
Total current liabilities	1,355,616	867,120
Noncurrent liabilities		
Deferred tax liabilities	3,762	2,050
Asset retirement obligations	236,352	238,302
Total noncurrent liabilities	240,114	240,352
Total liabilities	1,595,730	1,107,472
Net assets		
Shareholders' equity		
Capital stock	1,992,372	1,993,203
Capital surplus	2,535,572	2,536,403
Retained earnings	3,598,678	3,562,602
Treasury stock	(7,848)	(7,848)
Total shareholders' equity	8,118,774	8,084,362
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3,034)	(7,225)
Total accumulated other comprehensive income	(3,034)	(7,225)
Total net assets	8,115,740	7,995,182
Total liabilities and net assets	9,711,471	9,366,641

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

	(unit: thousand yen)	
	Six Months Ended September 30, 2010	Six Months Ended September 30, 2011
Consolidated quarterly statements of (comprehensive) income		
Net sales	5,513,123	4,820,283
Cost of sales	95,733	128,580
Gross profit	5,417,389	4,691,702
Selling, general and administrative expenses		
Advertising expenses	979,539	1,154,713
Provision of allowance for doubtful accounts	53,118	15,210
Salaries and allowances	1,085,917	1,155,415
Provision for bonuses	268,564	155,790
Provision for directors' bonuses	-	5,000
Allowance for loss on guarantees for rent	14,251	-
Depreciation	159,863	243,831
Amortization of goodwill	5,000	26,673
Other	1,519,446	1,683,435
Total selling, general and administrative expenses	4,085,702	4,440,069
Operating income	1,331,686	251,632
Non-operating income		
Interest income	898	1,714
Dividends income	967	1,092
Gain on negative goodwill	3,032	-
Interest on refund	-	10,204
Other	2,905	2,791
Total non-operating income	7,804	15,803
Non-operating expenses		
Loss on abandonment of inventories	1,271	-
Other	1,940	181
Total non-operating expenses	3,211	181
Ordinary income	1,336,279	267,254
Extraordinary loss		
Loss on sales of noncurrent assets	117	-
Loss on retirement of noncurrent assets	4,392	40
Impairment loss	-	113,500
Loss on sales of stocks of subsidiaries and affiliates	229,956	-
Provision for loss on head office transfer	74,546	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	22,223	-
Total extraordinary losses	331,236	113,541
Income before income taxes and minority interests	1,005,043	153,713
Income taxes-current	91,051	31,224
Income taxes-deferred	10,186	47,922
Total income taxes	101,238	79,146
Income before minority interests	903,804	74,567
Minority interests in income	3,866	-
Net income	899,938	74,567

(3) Consolidated Cash Flow Statement

(unit: thousand yen)

	Six Months Ended September 30, 2010	Six Months Ended September 30, 2011
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,005,043	153,713
Depreciation and amortization	159,878	244,248
Amortization of goodwill	5,000	26,673
Gain on negative goodwill	(3,032)	-
Impairment loss	-	113,500
Increase (decrease) in provision for bonuses	(130,476)	(188,580)
Increase (decrease) in provision for directors' bonuses	(3,600)	5,000
Increase (decrease) in allowance for doubtful accounts	49,541	13,100
Increase or decrease in allowance for Loss guarantees for rent	14,251	-
Increase (decrease) in provision for loss on head office transfer	74,546	-
Interest and dividends income	(1,169)	(1,490)
Interest income on securities	(696)	(1,316)
Loss (gain) on sales of noncurrent assets	117	-
Loss on retirement of noncurrent assets	4,392	40
Loss (gain) on sales of stocks of subsidiaries and affiliates	229,956	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	22,223	-
Decrease (increase) in notes and accounts receivable-trade	30,223	148,238
Decrease (increase) in inventories	(2,487)	1,052
Decrease (increase) in advances paid	(52,576)	-
Increase (decrease) in notes and accounts payable-trade	845	(11,666)
Increase (decrease) in accounts payable-other	(50,617)	(302,137)
Other, net	(46,476)	45,452
Subtotal	1,304,887	245,830
Interest and dividends income received	1,881	2,531
Income taxes (paid) refund	(673,935)	347,519
Net cash provided by (used in) operating activities	632,833	595,881
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(2,000,000)
Purchase of investment securities	(280)	(735)
Purchase of property, plant and equipment	(92,108)	(30,808)
Proceeds from sales of property, plant and equipment	10	-
Purchase of intangible assets	(125,617)	(147,400)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(755,245)	-
Purchase of investments in subsidiaries	(70,160)	-
Payments for lease and guarantee deposits	-	(331)
Proceeds from collection of lease and guarantee deposits	517	1,366
Net cash provided by (used in) investing activities	(1,042,884)	(2,177,909)
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	3,072	1,662
Purchase of treasury stock	(7,848)	-
Cash dividends paid	(119,289)	(109,643)
Net cash provided by (used in) financing activities	(124,065)	(107,980)
Net increase (decrease) in cash and cash equivalents	(534,116)	(1,690,008)
Cash and cash equivalents at beginning of period	6,488,292	4,707,564
Cash and cash equivalents at end of period	5,954,176	3,017,555