



# Brief Report of the Settlement of Accounts (Consolidated, Japanese Standard) for the 1st Quarter of the Year Ended March, 2014

August 7, 2013

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) Executive officer and chief director (Name) Ry

of administration (Name) Ryoma Morino TEL (03)5783-3603

Scheduled quarterly securities report submission date :August 7, 2013

Preparation of supporting documentation 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)

Scheduled dividends payout date

## 1. Consolidated financial results for the first quarter of the year ending March 31, 2014 (From April 1, 2013 to June 30, 2013)

(1) Consolidated operating results

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

	Sales		Operating I	Profit	Current P	rofit	Net Pro	fit
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q1 of FY 03/2014	3,398	24.1	862	65.3	855	66.9	516	74.0
Q1 of FY 03/2013	2,737	16.1	521		512		297	

(Note) Comprehensive Q1 of FY 03/2014 509 million yen (70.8%) Q1 of FY 03/2013 298 million yen (—%) income

	Net Profit per Share	Diluted Net Income per Share	
	Yen	Yen	
Q1 of FY 03/2014	27. 51	27. 45	
Q1 of FY 03/2013	15. 84	15. 81	

### (2) Consolidated financial position

	Total Assets	Net Assets	Shareholder Equity Ratio
	Million yen	Million yen	%
Q1 of FY 03/2014	11,651	9,464	81.2
FY 03/2013	11,553	9,064	78.4

(Reference) Shareholder's equity Q1 of FY 03/2014 9.457 Million Yen FY 03/2013 9.057 Million Yen

#### 2. Dividends

		А	nnual Dividends		
	End of Q1	End of Q2	End of Q3	End of Quarter	Total
	Yen	Yen	Yen	Yen	Yen
FY 03/2013	_	0. 00	_	6. 50	6. 50
FY 03/2014	_				
FY 03/2014 (Forecast)		0. 00	_	7. 90	7. 90

<sup>\*</sup> Notes : Revision to the most recently announced dividend forecast : No

#### 3. Forecast of consolidated performance for FY 03/2014 (from April 1, 2013 to March 31, 2014)

(Percentages indicate increase or decrease in the ratio from the previous financial year, in the case of full year figures, and from the same quarter the previous year, in the case of quarterly figures)

	Sales	3	Operating	g Profit	Current	Profit	Net P	rofit	Net Profit per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Q2 (Accumulated Total)	6,604	20.1	920	-2.3	913	-0.9	523	-0.4	27. 84
Full Year	13,041	9.0	1,322	-16.9	1,314	-15.2	741	20.8	39. 49

<sup>\*</sup> Notes: Revision to the most recently announced consolidated forecasts: Yes

- \* Notes
- (1) Change in material subsidiaries during the period (changes in specified subsidiaries accompanying a : No change in the scope of consolidation)
- (2) Application of special accounting methods for presenting quarterly consolidated financial statements: No
- (3) Change in the accounting policy, change in the accounting estimation or revision and restatement

1) Change in the accounting policy due to amendment to : N

accounting standards

2) Change in the accounting policy other than 1)
3) Change in the accounting estimation
No
4) Revision / restatement
No

(4) Number of shares outstanding (common shares)

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

2) Number of shares of treasury stock at the end of the period

3) Average number of shares during the period

Q1 of FY 03/2014	18,800,800	FY 03/2013	18,794,600
	shares		shares
Q1 of FY 03/2014	12,106	FY 03/2013	12,060
	shares		shares
Q1 of FY 03/2014	18,784,278	FQ1 of Y 03/2013	18,758,208
	shares		shares

<sup>\*</sup> Indication regarding the performance of audit procedures

 This "Brief Report of the Settlement of Accounts" is not subject to audit procedures in accordance with the Financial Instruments and Exchange Law, and as such, the audit procedures for the financial statements in accordance with the Financial Instruments and Exchange Law had been completed when this "Brief Report of the Settlement of Accounts" was disclosed.

- \* Description of the appropriate usage of the business performance forecast and other special matters
- Any descriptions regarding future matters such as a business performance forecast, etc., as stated in this material, are based on the information we currently have and certain assumptions that are considered reasonable. However, the actual business performance may differ significantly for various causes.
- Our company plans to hold a results briefing for institutional investors and analysts on August 8, 2013. This briefing and
  its descriptions (in sound recording format) will be listed on our website shortly after being held, together with the account
  settlement information used on the day.

(unit: thousand yen)

	As of March 31, 2013	As of June 30, 2013
Consolidated quarterly balance sheets Assets	713 OF March 01, 2010	7.5 01 Guile 60, 2010
Current assets		
Cash and deposits	6,940,319	7,199,710
Accounts receivable-trade	1,470,051	1,404,830
Inventories	6,969	5,811
Deferred tax assets	267,459	282,538
Accounts receivable-other	356,646	332,745
Other	174,417	156,049
Allowance for doubtful accounts	-5,712	-5,704
Total current assets	9,210,152	9,375,982
Noncurrent assets		
Property, plant and equipment	252.422	242.244
Buildings	650,463	642,844
Accumulated depreciation	-269,934	-314,605
Buildings, net	380,529	328,239
Tools, furniture and fixtures	718,177	730,177
Accumulated depreciation	-567,777 150,400	-586,604
Tools, furniture and fixtures, net	150,400 530,929	143,573 471,812
Total property, plant and equipment  Intangible assets	330,929	4/1,612
Goodwill	130,042	119,206
Software	655,863	594,880
Software in progress	70,114	115,444
Other	31,899	31,182
Total intangible assets	887,920	860,713
Investments and other assets	007,020	333,713
Investment securities	44,812	46,370
Bad debts	31,997	38,694
Deferred tax assets	123,039	138,936
Lease and guarantee deposits	744,702	745,221
Other	4,677	3,822
Allowance for doubtful accounts	-24,705	-30,075
Total investments and other assets	924,524	942,969
Total noncurrent assets	2,343,374	2,275,494
Total assets	11,553,526	11,651,476
Liabilities		
Current liabilities	75.000	00.540
Accounts payable-trade	75,228	60,510
Accounts payable-other	888,541	736,671
Income taxes payable Provision for bonuses	643,347	384,634 434,276
Provision for directors' bonuses	363,189 16,000	3,863
Asset retirement obligations	100,538	107,540
Other	249,193	305,593
Total current liabilities	2,336,039	2,033,089
Noncurrent liabilities	2,000,000	2,000,000
Asset retirement obligations	153,137	153,769
Total noncurrent liabilities	153,137	153,769
Total liabilities	2,489,177	2,186,858
Net assets		
Shareholders' equity		
Capital stock	1,996,060	1,996,757
Capital surplus	2,539,261	2,539,958
Retained earnings	4,498,492	4,893,147
Treasury stock	-7,875	-7,918
Total shareholders' equity	9,025,939	9,421,945
Accumulated other comprehensive income		
Valuation difference on available-for-sale securi	1,232	2,414
Foreign currency translation adjustment	30,023	33,017
Total accumulated other comprehensive income	31,255	35,431
Minority interests	7,154	7,241
Total liebilities and not see to	9,064,349	9,464,618
Total liabilities and net assets	11,553,526	11,651,476

(unit:	thousand	ven)
(urnt.	unousanu	ven/

		(unit: thousand yei
	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Consolidated quarterly statements of		5.11.15 1.1 <b>,</b> 1.1.1
comprehensive) income		
Net sales	2,737,269	3,398,13
Cost of sales	81,412	102,16
Gross profit	2,655,857	3,295,96
Selling, general and administrative expenses	, ,	, ,
Advertising expenses	629,516	774,04
Provision of allowance for doubtful accounts	2,741	5,80
Salaries and allowances	530,737	544,57
Provision for bonuses	88,121	91,04
Provision for directors' bonuses	3,000	3,86
Depreciation	96,625	131,56
Amortization of goodwill	13,126	10,83
Other	770,148	871,49
Total selling, general and administrative expenses	2,134,016	2,433,22
Operating income	521,840	862,74
Non-operating income	,	,
Interest income	1,463	99
Dividends income	4	
Subsidy income		3,33
Other	632	52
Total non-operating income	2,100	4,85
Non-operating expenses	,	,
Equity in losses of affiliates	10,559	
Foreign exchange losses	,	5,18
Loss on retirement of noncurrent assets	509	6,19
Other	0	42
Total non-operating expenses	11,069	11,80
Ordinary income	512,870	855,79
Extraordinary loss	,	,
Loss on valuation of investment securities	10,300	
Impairment loss		9,11
Total extraordinary losses	10,300	9,11
Income before income taxes and minority interests	502,570	846,67
Income taxes-current	232,485	373,62
Income taxes-deferred	-26,970	−31,51
Total income taxes	205,514	342,11
Income before minority interests	297,055	504,56
Minority interests in loss	0	-12,17
Net income	297,056	516,74

	(ur	it.	thousand	ven)
--	-----	-----	----------	------

		(unit: thousand yen)
	Three Months Ended	Three Months Ended
	June 30, 2012	June 30, 2013
Consolidated quarterly statements of comprehensive income		
Income before minority interests	297,055	504,567
Other comprehensive income		
Valuation difference on available-for-sale securities	-924	1,182
Foreign currency translation adjustment	2,060	3,629
Total other comprehensive income	1,136	4,812
Comprehensive income	298,192	509,379
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	298,192	520,917
Comprehensive income attributable to minority interests	0	-11,537

	/ '.			
- 1	(Hinit:	thou	ısand	ven

	Three Months Ended	(unit: thousand yer Three Months Ended
	June 30, 2012	June 30, 2013
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	502,570	846,678
Depreciation and amortization	97,083	132,102
Amortization of goodwill	13,126	10,830
Impairment loss		9,118
Increase (decrease) in provision for bonuses	75,814	71,08
Increase (decrease) in provision for directors' bonuses	3,000	-12,13
Increase (decrease) in allowance for doubtful accounts	2,473	5,362
Interest and dividends income	-1,022	-99
Equity in (earnings) losses of affiliates	10,559	
Interest income on securities	-445	
Loss (gain) on valuation of investment securities	10,300	
Loss on retirement of noncurrent assets	509	6,19
Decrease (increase) in notes and accounts receivable-trade	199,653	84,43
Decrease (increase) in inventories	454	1,15
Increase (decrease) in notes and accounts payable-trade	-10,027	-14,56
Increase (decrease) in accounts payable-other	-169,231	-156,65
Other, net	35,137	59,10
Subtotal	769,957	1,041,72
Interest and dividends income received	470	54
Income taxes paid	-292,517	-609,11
Net cash provided by (used in) operating activities	477,911	433,16
Net cash provided by (used in) investing activities	177,011	100,10
Purchase of investment securities	-445	
Proceeds from sales of investment securities	110	28
Purchase of property, plant and equipment	-9,123	-23,23
Payments for retirement of property, plant and equipment	3,123	-89
Purchase of intangible assets	-82,003	-49,18
Proceeds from purchase of investments in subsidiaries resulting	02,000	40,10
in change in scope of consolidation	4,723	
Payments for lease and guarantee deposits	-237	-20
Proceeds from collection of lease and guarantee deposits	2,905	4
Net cash provided by (used in) investing activities	-84,182	−73,18
Net cash provided by (used in) financing activities	04,102	73,10
Proceeds from issuance of common stock	333	1,39
Proceeds from stock issuance to minority shareholders	333	11,62
Purchase of treasury stock		-4
Cash dividends paid	-63,634	-4 -115,29
·	-63,301	
Net cash provided by (used in) financing activities  Effect of evaluation state change on each and each againstants	2,212	-102,32 1,73
Effect of exchange rate change on cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	332,640	259,39
Cash and cash equivalents at beginning of period	3,413,078	6,940,319
Cash and cash equivalents at end of period	3,745,718	7,199,710