

November 12, 2015

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Notice on Differences between Business Performance Forecast for Six Months to September 30, 2015 and Actual Results

The following differences arose between the consolidated business performance forecast for the six months to September 30, 2015 (April 1 to September 30, 2015) announced by NEXT Co., Ltd. ("NEXT") on August 12, 2015 ("the Previous Forecast") and the actual results for the period released today.

1. The consolidated business performance forecast for the six months to September 30, 2015 and the actual results for the period

Consolidated business performance (from April 1 to September 30, 2015)

	Revenue	Operating profit	Profit attributable to owners of the parent company	Basic net income per share (Note 1)
	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	11,681	1,446	921	7.76
Actual results (B)	11,899	1,860	1,234	10.75
Difference (B – A)	+217	+415	+313	+2.99
Percentage difference (%)	+1.9%	+28.8%	+34.0%	+38.5%
(Reference) Results for six months to September 30, 2014	7,750	1,163	713	6.08

*Note 1: Effective June 1, 2015, NEXT conducted a two-to-one share split for its common shares. Accordingly, the above-mentioned actual results for the six months to September 30, 2015 were calculated by reflecting the effects of the share split.

Note 2: Starting from the year ending March 31, 2016, NEXT began to apply the International Financial Reporting Standards ("IFRS") on a voluntary basis. Thus, the business performance forecast and the actual results were calculated in conformity to the IFRS.



2. Main Reasons for Differences

Revenue

During the six months to September 30, 2015, our business performance was more or less in line with the plan in the NEXT Group's flagship Domestic Real Estate Information Services consisting mainly of the services delivered via the "HOME'S" website, a site known as the nation's top real estate and housing information website in terms of the number of properties listed, and in Domestic Services for Realtors including the service by Lifull Marketing Partners (formerly AXELION) that was converted into a subsidiary in May 2015. Meanwhile, strong business performance was recorded by Overseas Business including Trovit that was converted into a subsidiary in November 2014. Others Businesses also performed strongly ahead of the previous forecast, driven chiefly by a subsidiary established as a spin-off from NEXT on July 1, 2015 for the purpose of running the organization flexibly and developing its human resources.

As a result, revenue for the six months to September 30 ("the Six Months under Review") exceeded the previous forecast by 217 million yen (or 1.9%).

Operating profit and profit attributable to owners of the parent company

Operating profit for the Six Months under Review exceeded the previous forecast by 415 million yen (or 28.8%) because revenue was ahead of the original business performance forecast, as discussed earlier, and the recognition of a certain part of costs and expenses was postponed to the six months to March 31, 2016. As a result, profit attributable to owners of the parent company exceeded the forecast by 313 million yen (or 34.0%).

NEXT retained the business performance forecast for the year ending March 31, 2016 that was released previously.

If, upon checking the business performance trend, it becomes necessary to revise the forecast, we will disclose the revision promptly.

Note concerning forward-looking statements

The above forecasts are based on information available at the time of preparation and assumptions concerning uncertainties that may affect future business performance. Actual results may differ from the above forecasts due to various factors.