

**Brief Report of the Settlement of Accounts (IFRS) for the Third Quarter of the Year Ended
March, 2016 (consolidated financial settlement)**

February 10, 2016

Listed company name NEXT Co., Ltd. Listed exchange market Tokyo Stock Exchange market
 Code number 2120 URL <http://www.next-group.jp/>
 Representative (Position) President and CEO (Name) Takashi Inoue
 Contact person (Position) Managing Officer, General Manager of Administration (Name) Daigo Minaguchi (TEL) 03(5783)3603
 Scheduled quarterly securities report submission date February 10, 2016 Scheduled dividends payout date —
 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)

1. Consolidated financial results for the Third quarter of the year ending March 31, 2016 (From April 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative amount) (Percentages indicate increase or decrease in the ratio from the previous financial year)

	Revenue		Operating Profit		Profit before income taxes		Net profit		Profit attributable to owners of the parent company		Comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q3 of FY 03/2016	18,180	50.6	2,937	45.5	2,958	46.5	1,965	54.1	1,928	51.5	2,060	29.0
Q3 of FY 03/2015	12,069	—	2,018	—	2,019	—	1,275	—	1,272	—	1,597	—

	Basic quarter profit per share	Per diluted share Quarter profit
	Yen	Yen
Q3 of FY 03/2016	16.60	—
Q3 of FY 03/2015	11.27	11.26

*Notes: Effective June 1, 2015, the Company conducted a two-to-one share split for its common shares. Accordingly, basic quarter profit per share and per diluted share quarter profit were calculated as if the share split had been conducted at the start of the year ended March 31, 2015.

(2) Consolidated financial position

	Total assets	Net assets	Attributable to owners of the parent company	Attributable to owners of the parent company (ownership ratio)
	Million yen	Million yen	Million yen	%
Q3 of FY 03/2016	23,911	16,729	16,516	69.1
FY 03/2015	22,592	10,853	10,824	47.9

2. Dividends

	Annual Dividends				
	End of Q1	End of Q2	End of Q3	End of Year	Total
	Yen	Yen	Yen	Yen	Yen
FY 03/2015	—	0.00	—	5.75	5.75
FY 03/2016	—	0.00	—	—	—
FY 03/2016 (forecast)	—	—	—	4.71	4.71

*Notes: Revision to the most recently announced dividend forecast: No
 Effective June 1, 2015, the Company conducted a two-to-one share split for its common shares. Consequently, the

above-mentioned dividend forecast for the year ending March 31, 2016 is one that took the share split into consideration. The dividend per share forecast prior to considering the share split was 9.42 yen.

3. Forecast of consolidated performance for FY 03/2016 (From April 1, 2015 to March 31, 2016)

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

	Revenue		Operating profit		Profit attributable to owners of the parent company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	26,142	43.9	4,314	60.3	2,795	55.6	23.55

*Notes: Revision of the most recently announced consolidated forecasts: No

Effective July 17, 2015, the Company issued new shares in a third party allocation. Thus, basic earnings per share were calculated on the basis of the number of shares outstanding including the newly-issued shares.

1. Qualitative Information on the Financial Results for the three months ended December 31, 2015 of the Fiscal Year Ending March 31, 2016

The NEXT Group has applied international financial reporting standards (hereafter referred to as "IFRS") rather than conventional Japanese accounting standards starting with the three months ended December 31, 2015 of the current fiscal year ending March 31, 2016. Therefore, figures for the previous consolidated financial results for the three months ended December 31, 2014, as well as the previous consolidated financial results for the previous accounting year, are reclassified using the IFRS and are then used for comparative analysis.

(1) Operating results

Following our corporate mission of "Designing Delightful Encounters," the NEXT Group develops a variety of information service businesses that closely relate to people's lives, focusing on its real estate information service business.

Based on the slogan "Become a global company with 'DB+CCS' (data base + communication & concierge services)" as the centerpiece of its Mid-term Management Strategy, the NEXT Group endeavors to organize/accumulate/integrate the massive amount of information overflowing into the world, to provide the most suitable information to each customer via a variety of media and to address services that support moving towards the future.

In particular, the Group has in mind increasing its user share by 40% as a long-term goal for its flagship operation, the real estate information service business, to create a world where our real-estate information listing site, HOME'S, is indispensable.

Based on this strategy, the Group has been focusing on strengthening its real estate information service business in Japan, developing and promoting the sales of services for real estate companies in Japan, establishing overseas business bases and reviewing countries suitable to launch our business, making its operations in new business areas besides real estate profitable and developing new businesses.

In the consolidated three months ended December 31, 2015 of the fiscal year ending March 31, 2016 (hereafter referred to as the 3rd quarter of FY2015), the Group enhanced its branding promotion such as TVCM and transportation advertisement, web marketing, and corresponding smart devices, and endeavored to increase the number of member stores to further increase the number of properties NEXT handles in order to expand our user share and to increase the number of inquiries of our real estate information service in Japan.

Furthermore, we have established "Lifull Bizas Co., Ltd.", which is a 100%-owned company, with the aim of enhancing productivity and establishing more efficient back-office work system by having the subsidiary be in charge of the series of work, which used to be handled by the headquarters, as a part of BPR (business process reengineering).

On the subject of the real estate information service business in Japan, we have newly started the "HOME'S PRO Property Distribution" service, which is a property information distribution system for real estate companies.

In addition, as of May 29, 2015, NEXT Co., Ltd. has acquired 60% of the outstanding shares of AXELION Co., Ltd. (Current name is "Lifull Marketing Partners Co., Ltd.". Hereafter referred to as "Lifull MP"), a provider of online marketing services for real estate companies, and has made it a consolidated subsidiary of NEXT Co., Ltd. Herewith, by leveraging the media capabilities of the NEXT Group and consulting capabilities of Lifull MP, the Group has established a structure that enables the Group to aspire to enhance the quality and increase the amount of property information listed on our online information site, HOME'S, and to create a more solid customer base by supporting the operations of real estate companies.

On the subject of overseas businesses, Trovit Search, S.L., which became a consolidated subsidiary of NEXT Co., Ltd. as of November 28, 2014 and is an aggregator of real estate/housing, used cars, and career-change information, initiated its services in Japan, Thailand and Taiwan.

As a result, our consolidated financial results for the 3rd quarter of FY2015 recorded 18,180,213 thousand yen (+50.6% y-o-y basis) in sales revenue, 2,937,362 thousand yen in operating profit (+45.5%), 2,958,048 thousand yen in quarterly profits before tax (+46.5%), and 1,928,221 thousand yen in quarterly profits attributable to the owners of the parent company (+51.5%).

NEXT Co., Ltd. regards Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) as an important economic indicator, because of its voluntary application of the IFRS from the 3rd quarter of FY2015, and an increase of the influence of overseas subsidiaries, to compare the Group's earnings with its overseas competitors and as an indicator to measure the gross output of cash. EBITDA in the 3rd quarter of FY2015 was 3,596,010 thousand yen (+55.3%). Moreover, sales revenues and operating profit by segment types in this 3rd quarter are as follows.

(Unit: JPY 1000)

Segment name	Sales revenues		Operating profit of the segment	
	Amount	Y-o-Y changes (%)	Amount	Y-o-Y changes (%)
(1) Domestic Real Estate Information (Note 2)	12,902,834	18.8	2,475,024	14.4
(2) Services for Domestic Real Estate Companies (Note 2)	2,651,463	292.8	51,808	249.0
(3) Overseas	2,641,433	898.7	481,562	(Note 3)
(4) Other Services	445,485	58.8	-40,124	(Note 4)

(Note 1) Intersegment transactions have not been eliminated.

(Note 2) As Lifull MP was made a consolidated subsidiary, NEXT Co., Ltd. and Lifull MP have concluded an exclusive distributor contract. As a result, sales revenue of newly build condominiums, which used to be declared as "Domestic Real Estate Information", is declared as "Services for Domestic Real Estate Companies" with some exceptions.

(Note 3) Operating profit in the previous term was JPY -85,400,000.

(Note 4) Operating profit in the previous term was JPY -66,818,000.

For more detailed information on the financial results, including the following items, please refer to the company's IR site for the "Report on the financial results for the three months ended December 31, 2015 of fiscal year ending March 31, 2016, which will be released on February 10, 2016.

URL for reference: <http://www.next-group.jp/ir/ir-data/>

<Major items in the briefing materials of the financial results>

- Trends of operating profit (loss): Major factors that caused changes in expenses and the trend in expenses-to-sales ratios, etc.
- Trends of sales revenues by service category: Trends in sales revenues of more detailed categories than segment unit, and the causes of their changes.
- Progress in business performance forecasts: Progress of forecasts of sales revenue by service category and business performance by major expense items.
- Topics: Main activities by segment.
- Quarterly data: Income statement (simplified version), sales revenue by service category, and profit & loss by segment.
- Collection of external statistical data: Number of condominiums on sale, condominium sales prices, number of new housing starts, number of inter-prefectural migrants and the population and number of households.

(2) Qualitative Information on Consolidated Financial Conditions

(Assets)

The balance of current assets as of December 31, 2015 was 9,501,821 thousand yen, an increase of 743,063 thousand yen from the end of the previous consolidated fiscal year (hereafter referred to as the "previous year end"). The increase was primarily caused by an increase of 1,660,751 thousand yen in cash and cash equivalents and a decrease of 975,400 thousand yen in other short-term financial assets, etc.

The balance of non-current assets as of December 31, 2015 was 14,409,227 thousand yen, an increase of 575,901 thousand yen from the previous year end. Primary causes of this increase include an increase of 352,202 thousand yen in goodwill, an increase of 190,513 thousand yen in intangible assets, and an increase of 77,174 thousand yen in other long-term financial assets, etc.

Consequently, total assets as of December 31, 2015 were recorded as 23,911,049 thousand yen, an increase of 1,318,965 thousand yen from the previous year end.

(Liabilities)

The balance of current liabilities as of December 31, 2015 was 4,462,908 thousand yen, a decrease of 6,706,146 thousand yen from the previous year end. Primary causes of the decrease include a decrease of 6,007,808 thousand yen in short-term loans and a decrease of 635,861 thousand yen in accounts payable and other short term debt, etc.

The balance of non-current liabilities as of December 31, 2015 was 2,718,591 thousand yen, an increase of 2,148,960 thousand yen from the previous year end. The cause of the increase is an increase of 1,984,025 thousand yen in long-term loans and an increase of 51,421 thousand yen in deferred tax liabilities, etc.

From the above results, total liabilities as of December 31, 2015 amounted to 7,181,499 thousand yen, a decrease of 4,557,186 thousand yen from the previous year end.

(Capital or capital attributable to the owners of the parent company)

The balance of capital as of the end of the 3rd quarter of FY2015 was 16,729,549 thousand yen, an increase of 5,876,151 thousand yen from the end of the previous year end. Major factors for the increase are an increase of 3,987,740 thousand yen due to the issuance of new shares, an increase of 1,928,221 thousand yen in retained earnings in the quarterly profits that are attributed to the owners of the parent company, a decrease of retained earnings by 324,641 thousand yen due to payment of dividends, and an increase of 101,131 thousand yen in foreign currency translation adjustments.

(3) Explanation of Information on Future Predictions, such as the Forecast of Consolidated Performance

There is no change to the Full-Year Business Performance Forecasts included in the “Notice of Revised Forecasts of Business Performance and Dividends”, which was released on August 12, 2015.

For updates on business performance forecasts, please refer to “Earnings Presentation Third Quarter of the year ended March 31, 2016”, which was released on February 10, 2016, found under the company’s IR site.

URL for reference: <http://www.next-group.jp/ir/ir-data/ird-result/>

* Notes

- (1) Change in material subsidiaries during the period : No
- (2) Change in the accounting policy, change in the accounting estimation
- 1) Changes in the accounting policies required by IFRS : No
- 2) Change in the accounting policy other than 1) : No
- 3) Change in the accounting estimation : No

(3) Number of shares outstanding (Common shares)

1) Number of shares outstanding at the end of the period (including treasury stock)	Q3 of FY 03/2016	118,789,100 shares	FY 03/2014	112,992,000
2) Number of shares of treasury stock at the end of period	Q3 of FY 03/2016	73,636 shares	FY 03/2014	73,072
3) Average number of shares during the period	Q3 of FY 03/2016	116,153,163 shares	Q3 of FY 03/2014	112,869,384

Notes: Effective June 1, 2015, the Company conducted a two-to-one share split for its common shares. The stock split will have been calculated on the assumption that was done at the beginning of the previous fiscal year.

* 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. Please refer to "Explanation of Information on Future Predictions, such as the Forecast of Consolidated Performance" on page 3 of the brief report for the quarter (attached material) for notes, etc. regarding conditions of the business performance forecast and usage of the business performance forecast.
- Our company plans to hold a results briefing for institutional investors and analysts as follows. The materials, video, and main Q&A, etc. in this briefing will be listed on our website shortly after being held.
- February 15 (Mon), 2016: Results briefing for institutional investors and analysts
- In addition to the above results briefing, we hold briefings for private investors regarding our business and performance as necessary. Please check our website for schedules, etc.