

Link and Motivation Inc.

Consolidated Financial Information for the Fiscal Year Ended December 31, 2012



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Link and Motivation Group



Change in Organization of Directors

Resolution to change the organization of directors at a Board of Directors meeting held on December 29, 2012

● Change

Previous Organization

President and
Representative Director Yoshihisa Ozasa
Director Shunichi Ono
Director Kiyotaka Sakakibara
Director Hideki Sakashita
Director Akira Suguro
Director Takehiko Mizutani

New Organization

Chairman and Representative Director
Yoshihisa Ozasa
President and Representative Director
Hideki Sakashita
Director Shunichi Ono
Director Akira Suguro

Notes:

1. Mr. Sakakibara was appointed President and Representative Director of the following two corporations:
 - Motivation Academia Inc.
 - Link Dining Inc.
2. Mr. Mizutani was appointed as a Fellow.

● Date of Change January 1, 2013 (Tuesday)

2012 Presentation Agenda

1. Announcement of Results for 2012
2. Strategies for Future Growth
3. Plan for 2013
4. TOPICS

1

Announcement of Results for 2012

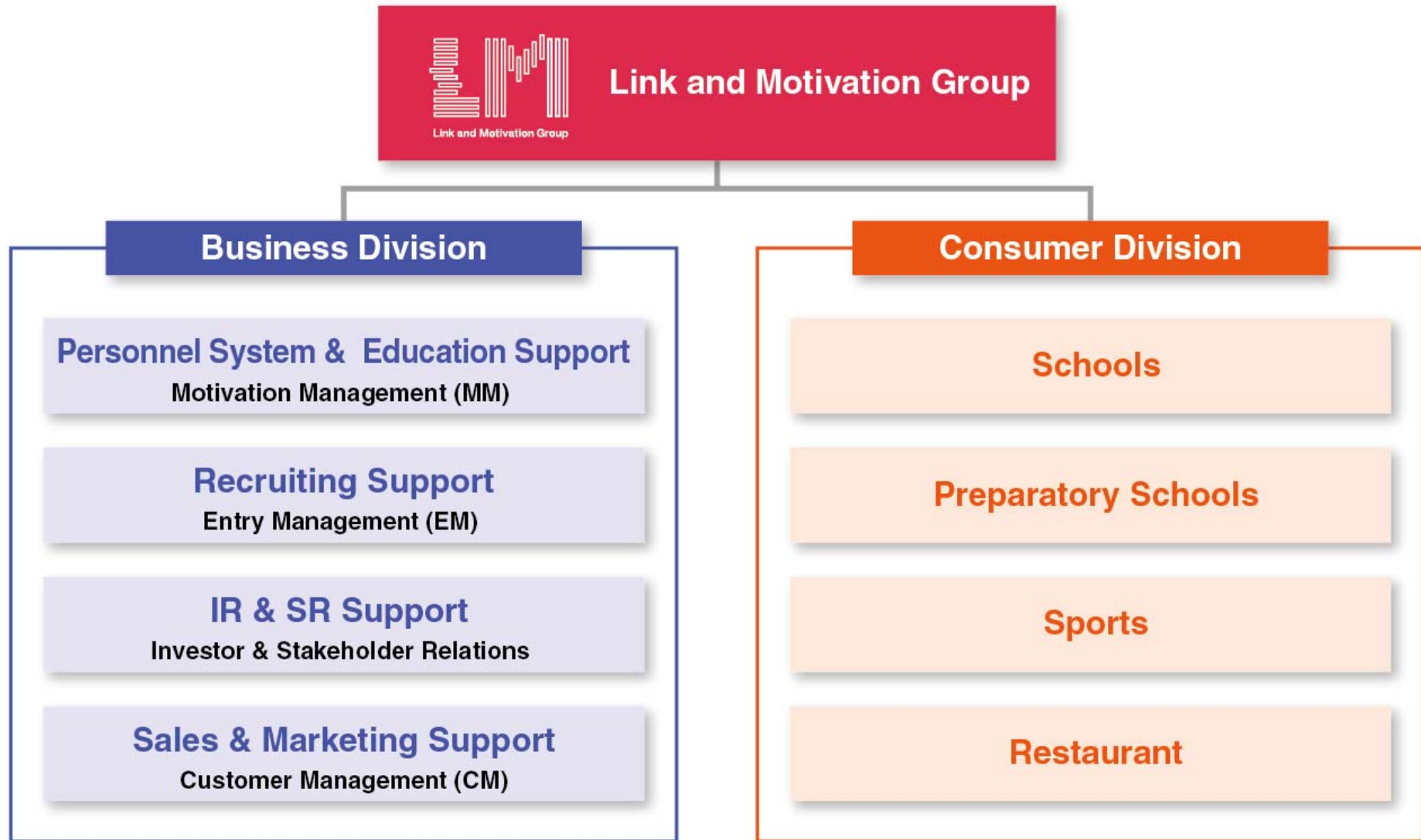


Statements of Operations (Year-on-year Comparison)

Consolidated (¥ million)	2011 Results	2012 Plan	2012 Results	Results vs. Plan	YoY Change
Net Sales	10,507	18,600	18,705	+0.6%	+78.0%
Operating Income	812	1,260	1,149	-8.8%	+41.5%
Ordinary Income	810	1,220	1,133	-7.1%	+39.8%
Net Income	596	700	708	+1.2%	+18.7%

- With the expansion of business fields, net sales and operating income **increased substantially** compared with the previous year.
- Due to prior investments, operating income and ordinary income fell short of the plan, but net sales and net income were as expected.

2012 Link and Motivation Group Operating Structure



Sales and Gross Profit by Division Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]		2011 Results	2012 Plan	2012 Results	Results vs. Plan	YoY Change
Business Division	Sales	6,305	12,200	12,317	+1.0%	+95.3%
	Gross Profit	[3,547]	—	[5,033]	—	[+41.9%]
Consumer Division	Sales	4,352	6,850	6,852	+0.0%	+57.4%
	Gross Profit	[1,586]	—	[2,428]	—	[+53.1%]

- The Consumer Division and the Business Division both **exceeded the plan and results in the previous year** due to the integration of Sales Marketing Co., Ltd. (Feb. 2012: Business Division) and Aviva Co., Ltd. (June 2011: Consumer Division), in addition to growth in existing businesses.

Business Division: Sales and Gross Profit Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]	2011 Results	2012 Results	YoY Change	Product Trends
① Personnel System & Education Support (MM)	2,645 [1,485]	3,200 [2,000]	+21.0% [+34.6%]	Education training services↑ Consulting services ↑
② Recruiting Support (EM)	2,322 [1,528]	2,548 [1,528]	+9.7% [+0.0%]	Student recruitment services↑ Employment training services↑
③ IR & SR Support (IR)	696 [343]	619 [319]	-11.0% [-6.7%]	Annual reports↑ Web-based video↓
④ Sales & Marketing Support (CM)	0 [0]	5,948 [1,184]	- -	Fashion temp staffing Communications/electronics temp staffing

- ① Personnel System & Education Support **increased substantially YoY** due to strong sales of education training services and consulting services.
- ② In Recruiting Support, **sales increased** as employment training services expanded as planned.
- ③ IR & SR Support decreased YoY due to the transfer of human resources to other fields.
- ④ Sales & Marketing Support expanded with the integration of Sales Marketing Co., Ltd. (Feb. 2012).

Consumer Division: Sales and Gross Profit Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]		2011 Results	2012 Results	YoY Change	Product Trends
①・②	Schools	3,722	6,209	+66.8%	Personal computer courses↑
	Preparatory Schools	[1,398]	[2,228]	[+59.3%]	Qualification courses↑
③・④	Sports	630	642	+1.9%	Sponsorship income↑
	Restaurant	[187]	[199]	[+6.6%]	Income from goods↓

- ① Schools contributed significantly to consolidated earnings due to increases from the integration of Aviva (June 2011), new student enrollment and higher sales of courses for qualifications.
- ② Preparatory Schools results increased YoY with steady growth in enrollment.
- ③ For Sports, gross profit increased YoY due to growth in high-profit-margin sponsorship income.

Balance Sheets

<u>Consolidated (¥ million)</u>	Dec. 31, 2011	Dec. 31, 2012	Change
Current Assets	4,780	5,454	+674
Property and Equipment	3,699	4,848	+1,149
Total Assets	8,479	10,303	+1,823
Current Liabilities	3,819	4,553	+734
Long-term Liabilities	1,488	2,501	+1,013
Net Assets	3,172	3,248	+75
Total Liabilities and Net Assets	8,479	10,303	+1,823

- **Substantial increases in assets and liabilities** due to the integration of Sales Marketing Co., Ltd.
- **Increase in net assets** as the increase in net income offset decreases from payment of dividends and stock repurchase.

2012 Fourth-quarter Dividend

● Dividend Policy for 2012

- Dividends **paid quarterly**
- **Fixed dividend** of **300 yen** for each quarter, **1,200 yen** annually

Note: Dividend increase and free stock distribution with a record date of June 30, 2012

● 2012 4Q Dividend

- As initially planned, a **300 yen** per-share dividend, with a planned payment date of **March 25, 2013**

	1Q Actual	2Q Actual	3Q Actual	4Q Planned
Per-share dividend	500 yen	600 yen (dividend increase)	300 yen (reflects free stock distribution)	300 yen (reflects free stock distribution)

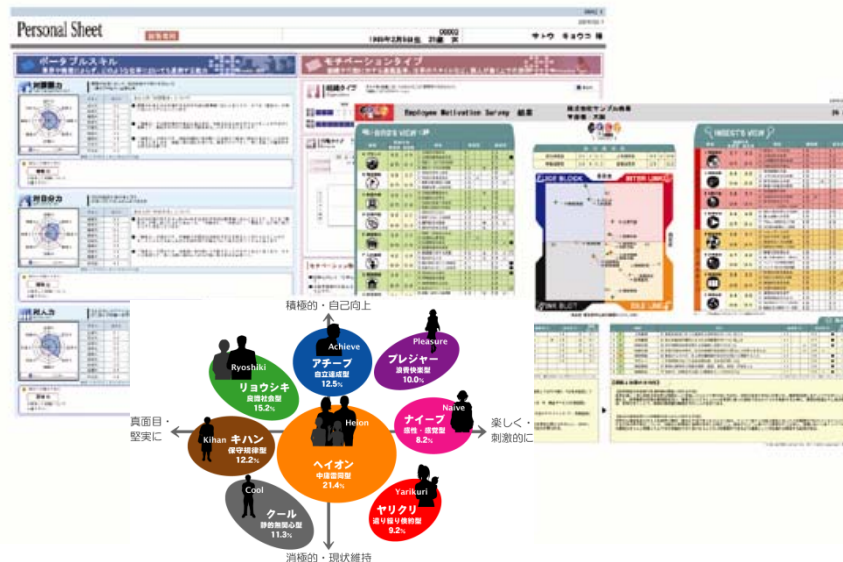
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Strategies for Future Growth



Core Technology of the Link and Motivation Group

Motivation Engineering



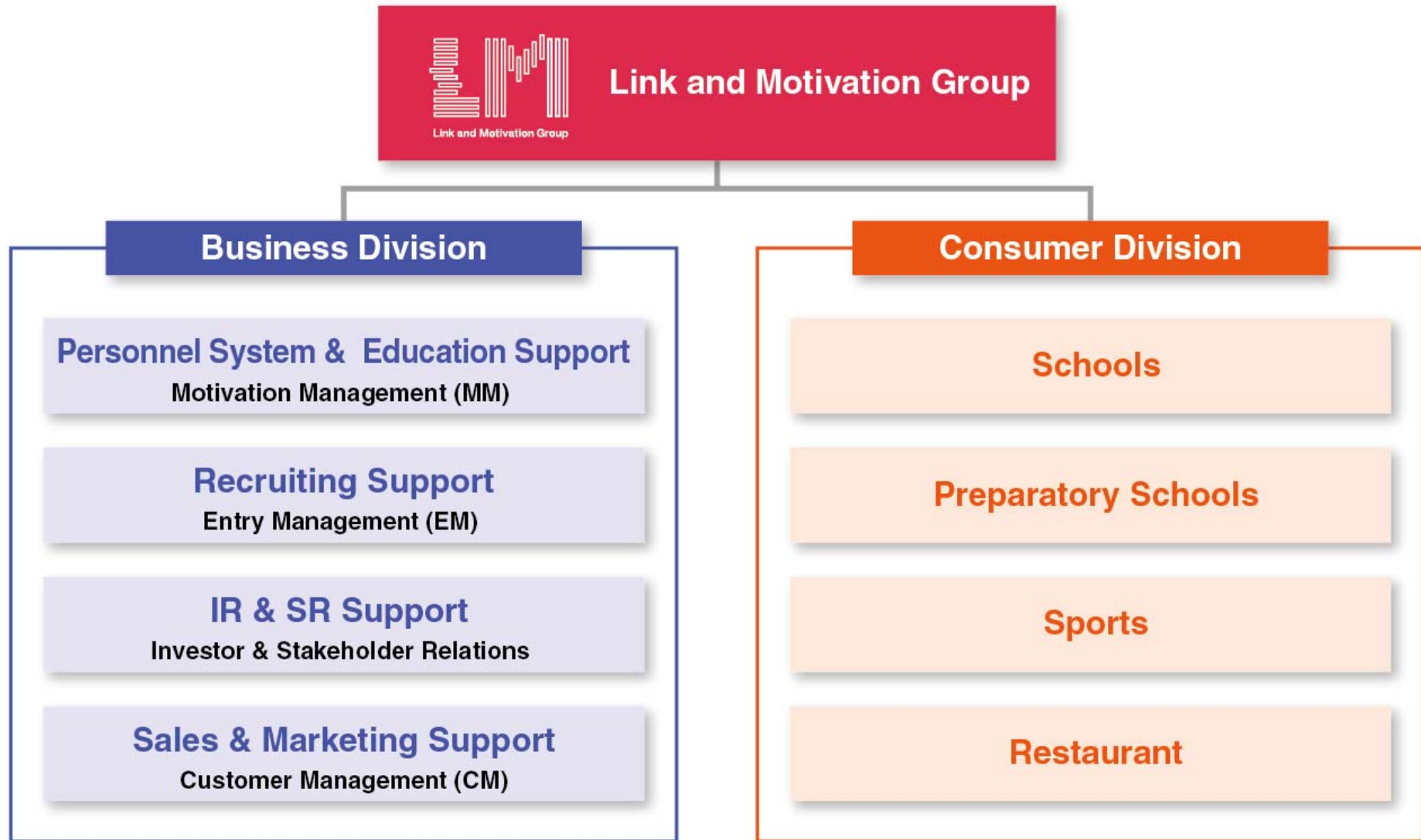
Unfreeze

Change

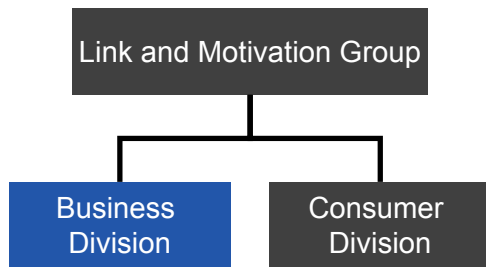
Freeze

Our technology employs psychology, behavioral economics and social systems theory to motivate individuals and vitalize organizations.

2012 Link and Motivation Group Operating Structure



Future Development: Business Division – Work



Providing Services to Corporations
Support for **building and strengthening relationships** with stakeholders

1. For Employees

Personnel System &
Education Support

Motivation Management

3. For Customers

Sales & Marketing Support

Customer Management

2. For Job Applicants

Recruiting Support

Entry Management














4. For Investors

IR & SR Support

Investor & Stakeholder Relations

Corporations

Six Corporations in the Business Division

	① Personnel System & Education Support	② Recruiting Support	③ Sales & Marketing Support	④ IR & SR Support
Consulting on organizations and human resources Link and Motivation Inc.				
Education and training support for global expansion INTEC JAPAN				
Recruiting/introduction of new graduates/mid-career employees Raise-i Inc.				
Human resources services to support sales and marketing Sales Marketing Co., Ltd.				
Event planning and management Link Event Produce Inc.				
Production of creative tools Link Corporate Communications Inc.				



① Personnel System & Education Support (for Employees): Motivation Management

An enhanced lineup to respond to the growth trend in corporate education budgets

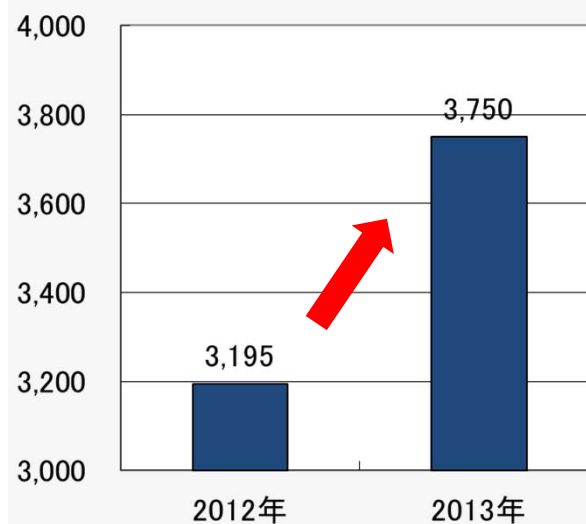
Develop diagnostic service products

Focus on developing diagnostic services for organizations and individuals to strengthen the flow from issue identification to solution

Meet education needs of companies expanding globally

Improve responsiveness to needs of companies expanding overseas, including increasing cultural adaptability

Plan: ¥3,750 million YoY Growth: 17.3%



Enhanced Products

Diagnostic products
Plan: ¥189 million
YoY Growth: 25%

Cross-cultural training
Plan: ¥360 million
YoY Growth: 22%



① Personnel System & Education Support (for Employees): Motivation Management

On April 1, 2013, INTEC JAPAN will change its name to
Link Global Solution Inc.

Representative: Akira Suguro

Established: 1989

Net Sales: ¥361 million (2012)

Business: An educational/training organization primarily involved in cross-cultural, business and language training

- *Number one in the cross-cultural training field*
- *Many years of providing services to representative blue-chip Japanese companies*

Offer packaged training services



Enhance teaching staff



Providing total services for companies expanding globally



② Recruiting Support (for Job Applicants): Entry Management

Establishing a new recruiting style for an age of highly selective hiring

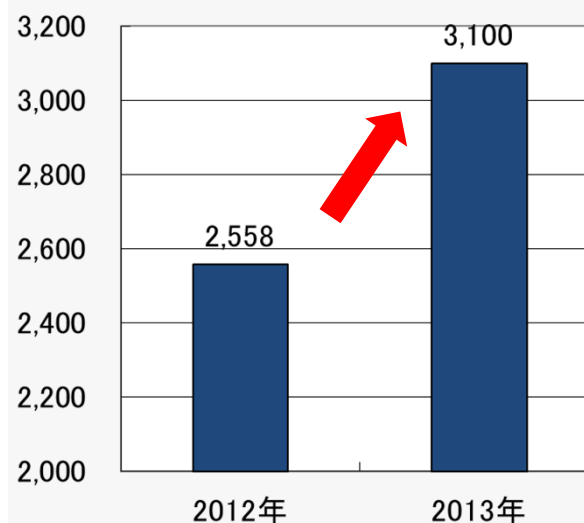
Enhance recruitment services

Create portfolio of client hiring issues through consulting for recruiting tailored to client needs

Launch introduction service for new graduates

Develop a service for direct introductions of new graduates instead of previous Web-based recruitment for more efficient hiring

Plan: ¥3,100 million YoY Growth: 21.2%



Enhanced Products

New graduate introduction

Plan: ¥146 million

YoY Growth: 3,550%

New graduate recruiting

Plan: ¥107 million

YoY Growth: 48%



② Recruiting Support (for Job Applicants): Entry Management

On April 1, 2013, Raise-i Inc. will change its name to
Link-i Inc.

Representative: Miki Yamaguchi

Established: 2011

Net Sales: ¥340 million (2012)

Business: Recruitment/introduction of
new graduates; employment
assistance for mid-career
personnel

- *Approx. 33,000 registered students*
Overwhelming number of contacts
- *Provide opportunities for student skill*
training

Start of new graduate
introduction service



Diversifying
opportunities for
skill training



Aggressively develop a service that directly links companies and
students while training independent students



③ Sales & Marketing Support (for Customers): Customer Management

Expand impact within industries through selection and concentration

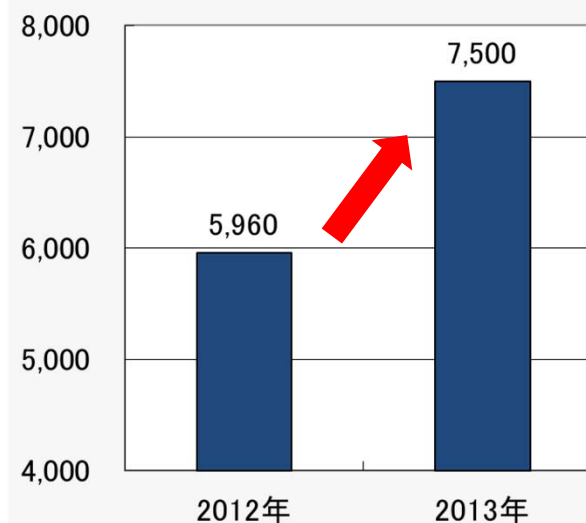
Select industries for providing temp staff services

Narrow the range of industries for providing temp staffing to fashion, electronic mobile device sales and telemarketing, and expand share in each industry

Enhance one-stop services

Strengthen consulting and outsourcing functions in addition to main temp staff services

Plan: ¥7,500 million YoY Growth: 25.8%



Enhanced Products

Fashion field

Plan: ¥4,960 million
YoY Growth: 13%

Digital field

Plan: ¥1,280 million
YoY Growth: 35%



③ Sales & Marketing Support (for Customers): Customer Management

On April 1, 2013, Sales Marketing Co., Ltd. will change its name to **Link Marketing Inc.**

Representative: Kazuyuki Ihara
Established: 2005
Net Sales: ¥6,036 million (2012)
Business: Temp staffing and consulting in sales and marketing fields

- *Holds a high share in the apparel industry*
- *Provides services using a wide-ranging network*

Strengthen staff procurement through brand integration



Enhance outsourcing and consulting functions



Provide one-stop services and aim for the top industry share



④ IR & SR Support (for Investors): Investor Relations

Enhance offerings by creating a service model

Develop new Web service

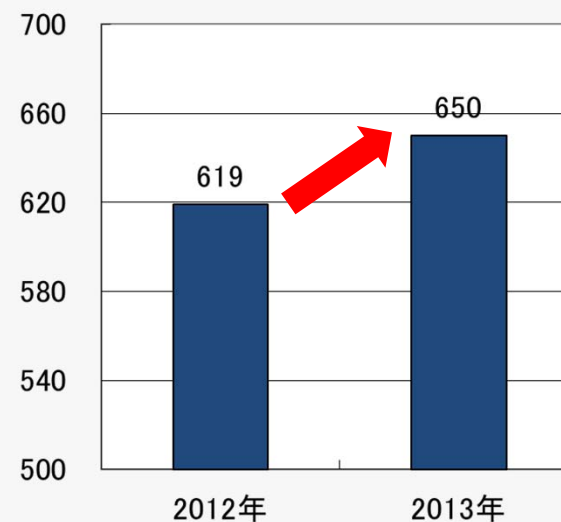
Repeatable service for a new Web communication tool that links issuing companies and investors

Standardize annual report production

Visualization of a production process to reduce tendencies toward inconsistency for stable delivery of more product

Plan: ¥650 million

YoY Growth: 4.8%
















Enhanced Products

Annual reports

Plan: ¥255 million

YoY Growth: 19%

Six Corporations in the Business Division

	① Personnel System & Education Support	② Recruiting Support	③ Sales & Marketing Support	④ IR & SR Support
Consulting on organizations and human resources Link and Motivation Inc.				
Education and training support for global expansion Link Global Solution Inc.				
Recruiting/introduction of new graduates/mid-career employees Link-i Inc.				
Human resources services to support sales and marketing Link Marketing Inc.				
Event planning and management Link Event Produce Inc.				
Production of creative tools Link Corporate Communications Inc.				

Six Corporations in the Business Division

	① Personnel System & Education Support	② Recruiting Support	③ Sales & Marketing Support	④ IR & SR Support
Consulting on organizations and human resources				

Further strengthen Group synergy through integration under the Link brand

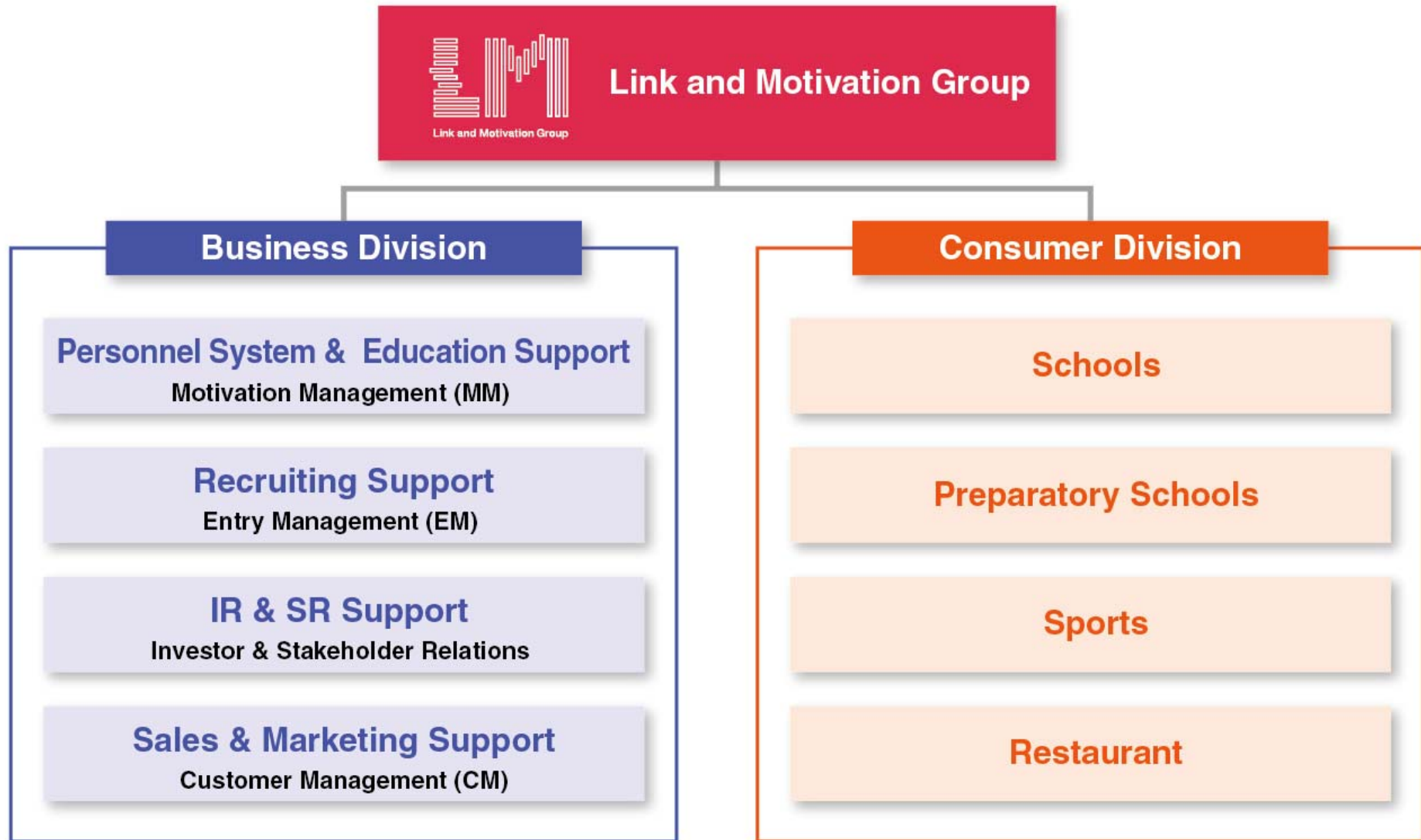


Link Event Produce Inc.

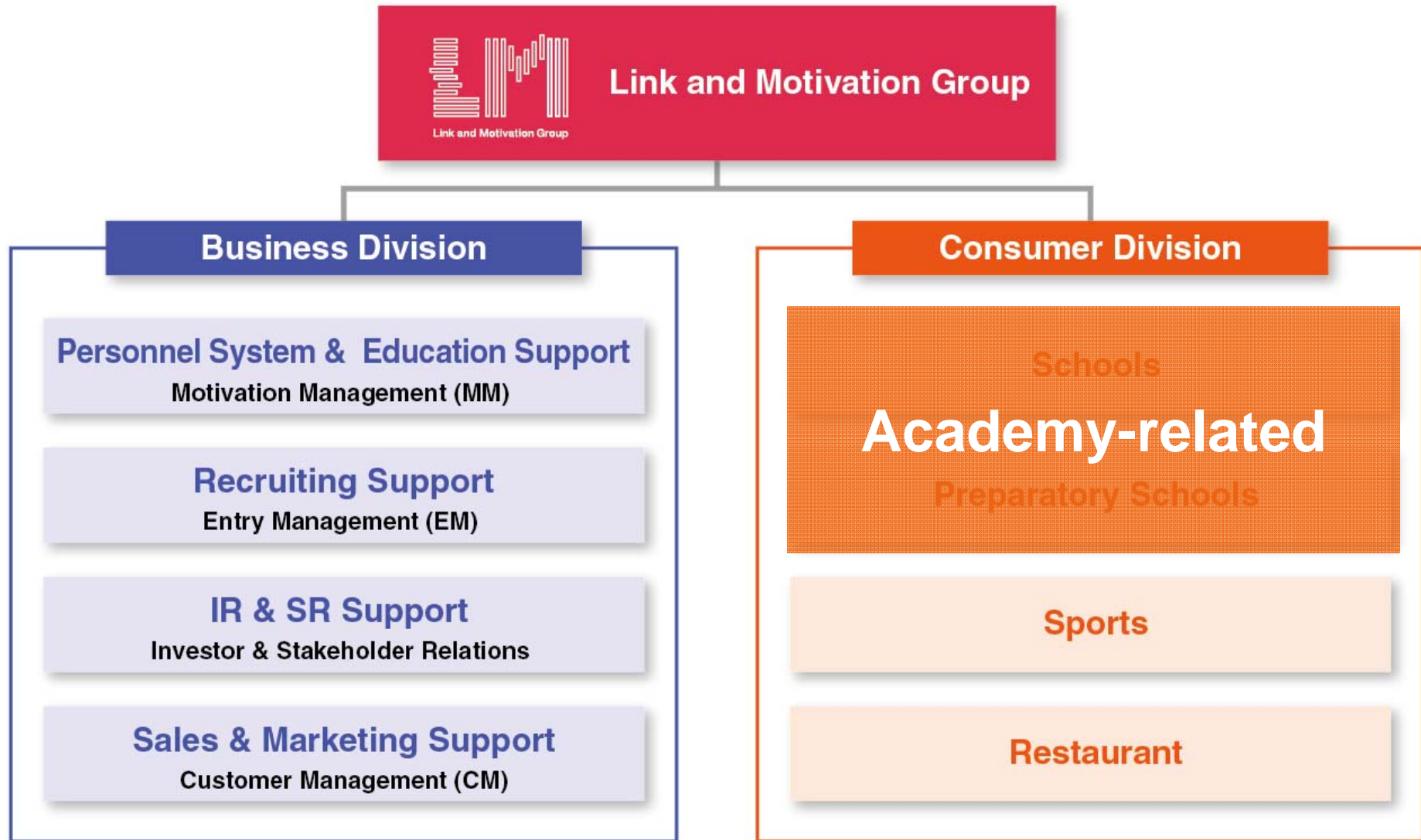
Production of creative tools

Link Corporate Communications Inc.

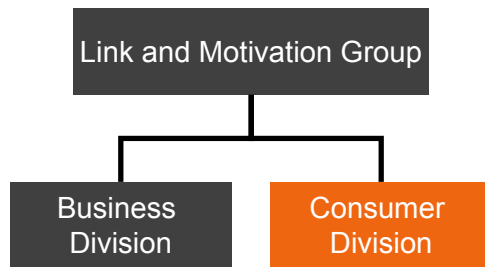
2013 Link and Motivation Group Operating Structure



2013 Link and Motivation Group Operating Structure



Consumer Division (Academy-related) Business Overview



Individual Support to Catch Up
“i-Company” creation support with
motivation engineering × education business

Helping people live independently and by their own initiative as managers of their own life enterprises

Personnel Requirement Framework

High
↑
Likelihood of Acquisition
↓
Low

Technical skills

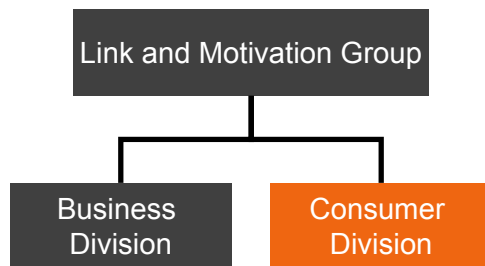
Literacy

Portable skills

Motivation type

- Specialized knowledge, technology and qualifications
- Technology and capabilities such as foreign languages and IT
- Portable capabilities that transcend industries, professions and cultures
- Will to take on challenges

Consumer Division (Academy-related) Business Overview



Individual Support to Catch Up
“i-Company” creation support with
motivation engineering × education business

Helping people live independently and by their own initiative as managers of their own life enterprises

Personnel Requirement Framework

High
↑
Likelihood of Acquisition
↓
Low

Technical skills

Literacy

Portable skills

Motivation type



Acquire computer literacy



- Develop portable skills
- Acquire motivation control techniques

Addition of Daiei Education System to the Group

January 1, 2013: Acquisition of Stock of Daiei Education System

Company Overview



Name: Daiei Education System Co., Ltd.

Representative: Yasuo Sato

Established: 1972

Sales: ¥2,245 million (2012)

Businesses: Qualification school business
Correspondence course business

Employees: 203 (as of January 1, 2013)

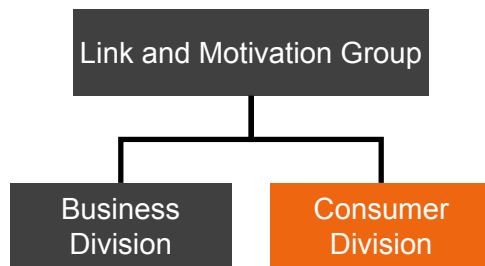
Head office: Osaka

Locations: 171 schools throughout Japan (as of January 1, 2013), of which 29 are directly operated

Special Features

- **Support for obtaining diverse qualifications/skills**
Accounting (bookkeeping, tax accounting, CPA, etc.)
Business (financial planner, securities broker, etc.)
Legal (social insurance and labor consultant, notary public, judicial scrivener, etc.)
Real estate (broker, condominium manager, etc.)
Public employee exams, medical office work, data processing, interior designer and others
- **A proven track record**
Over 12,000 certifications obtained each year
- **A teaching style that makes learning easy**
Able to offer the most appropriate teaching style, including individual instruction, classroom instruction and correspondence courses

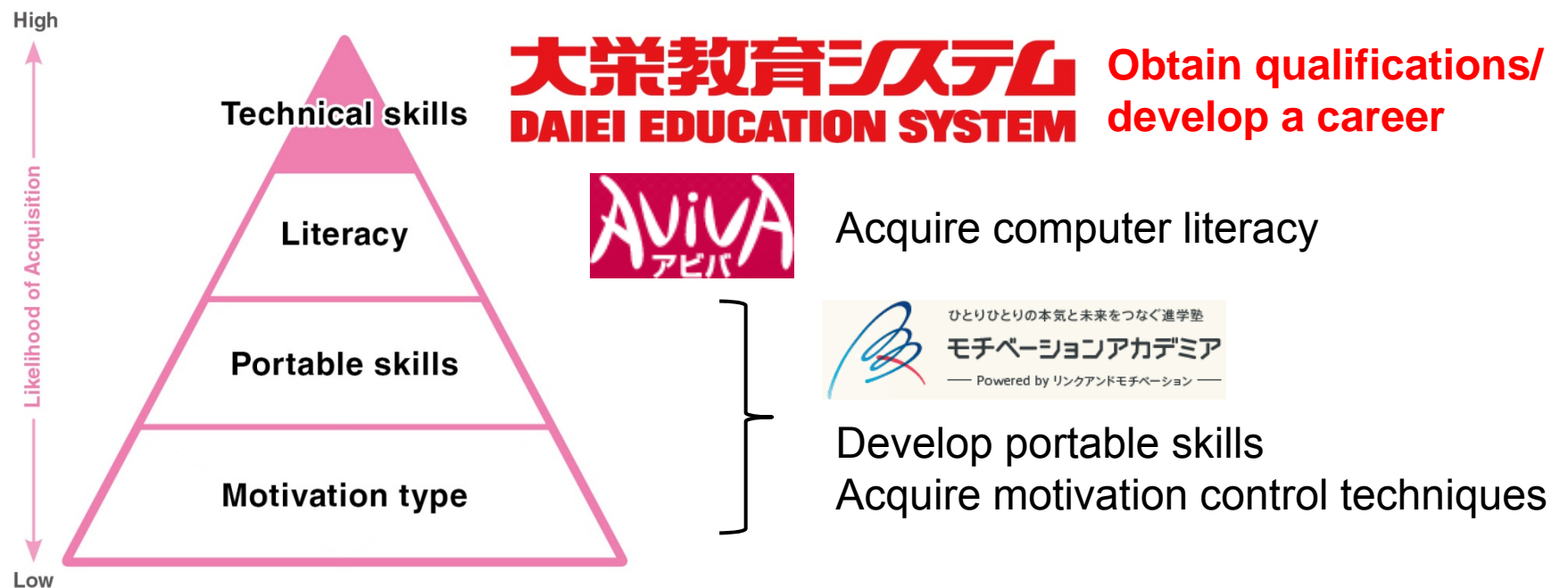
Consumer Division (Academy-related) Business Overview



Individual Support to Catch Up
“i-Company” creation support with
motivation engineering × education business

Helping people live independently and by their own initiative as managers of their own life enterprises

Personnel Requirement Framework





Development of the Consumer Division (Academy-related)

Optimize promotion and teaching categories

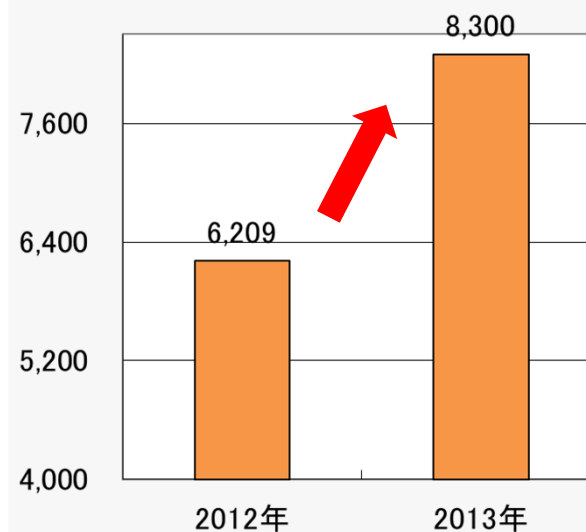
Transfer Daiei's PC division to Aviva

Transfer Daiei's existing personal computer qualification division to Aviva for efficient Group management

Reduce expenses by sharing sales promotion know-how and combining purchasing

Optimize expenses in overlapping sectors of the classroom field with combined advertising, etc.

Plan: ¥8,300 million YoY Growth: 33.7%



Enhanced Products

Qualification courses

Plan: ¥2,364 million
YoY growth: 3,500%

Academy-related: Brand Development in Schools

Foster an integrated
Group image

More efficient brand
investment

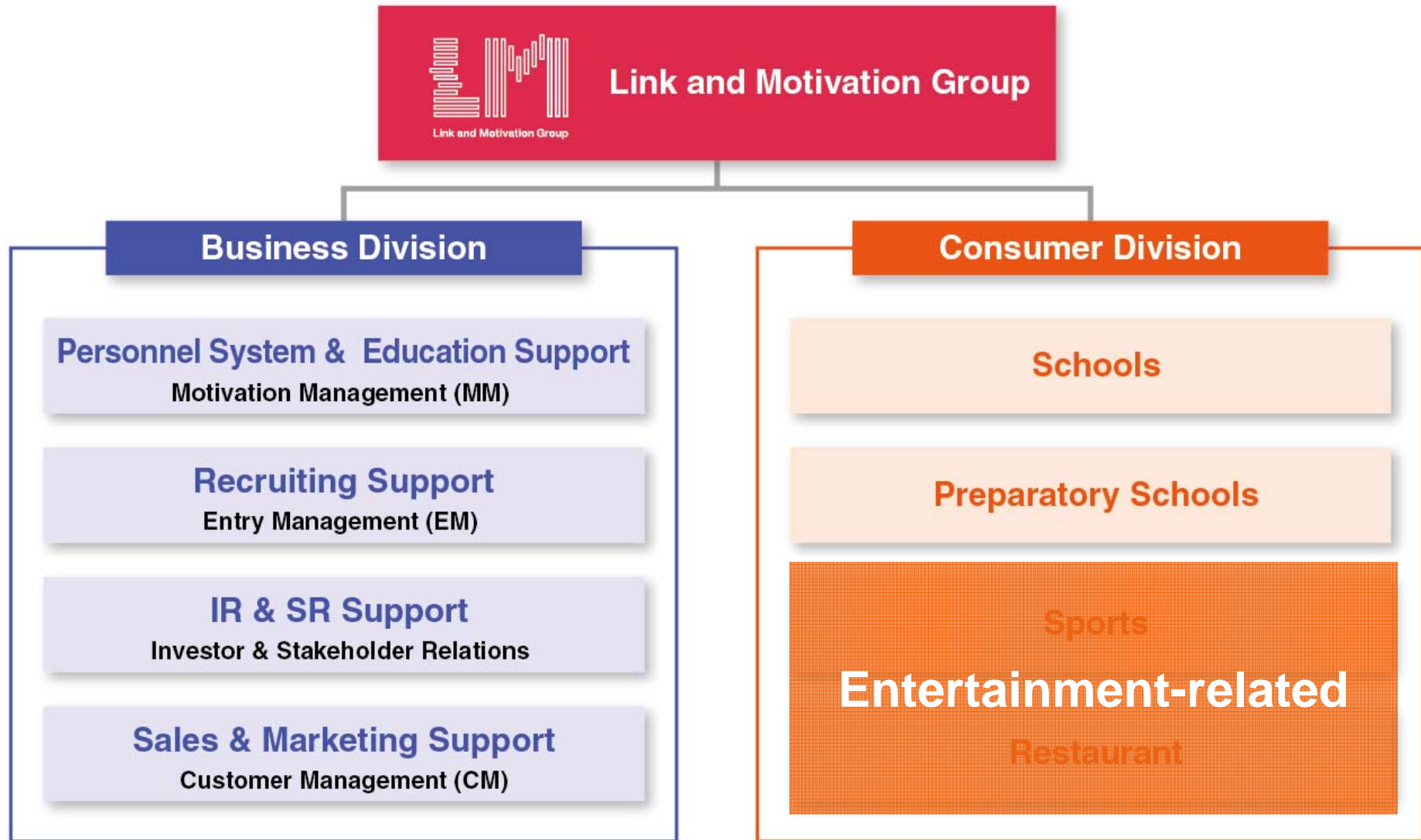
Establish a category brand for the
schools (Aviva and Daiei Education System)
of the Link and Motivation Group

Link Academy

リンク アカデミー



2013 Link and Motivation Group Operating Structure



2013 Link and Motivation Group Operating Structure



Enter the new NBL pro basketball league

Increase the number of games

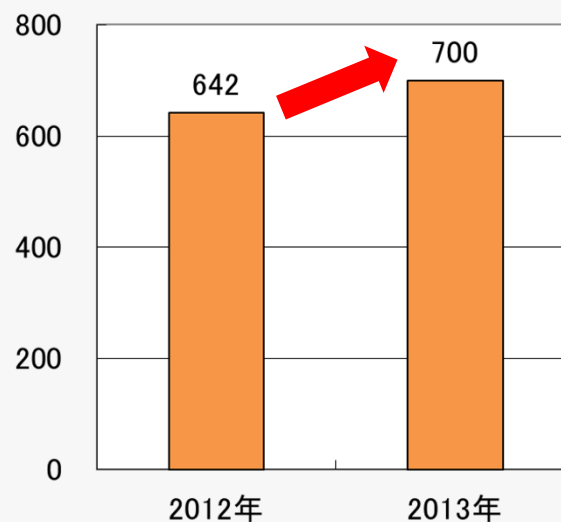
Growth in sales of tickets and goods due to extension of season from 42 games to 54

Introduce a salary cap

Reduce personnel expenses by introducing a system with maximum annual salaries for players

Plan: ¥700 million

YoY Growth: 8.9%



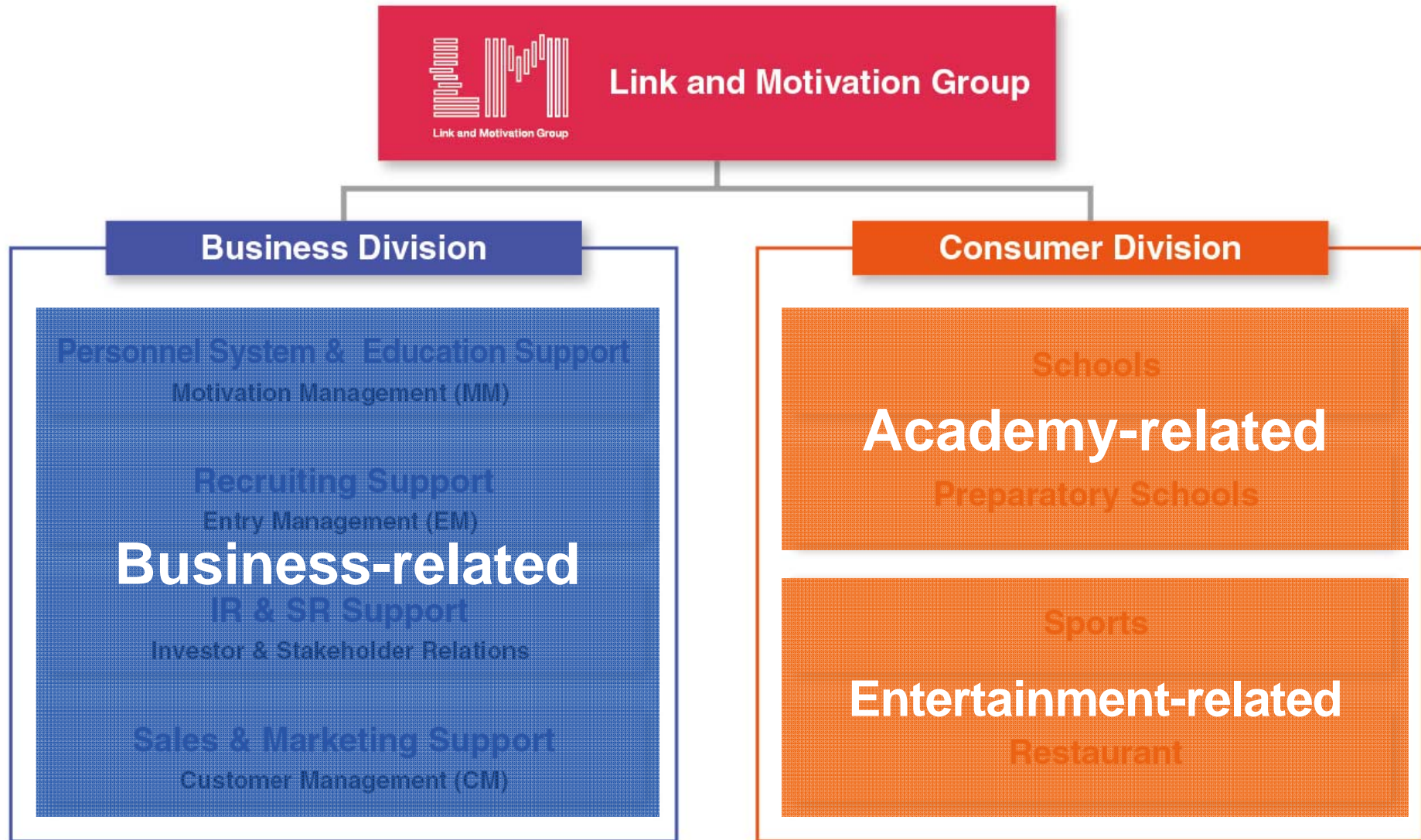
Enhanced Products

Sponsorship

Plan: ¥290 million

YoY Growth: 6%

2013 Link and Motivation Group Operating Structure



Points for Future Strengthening

① Strengthen cooperation among Group companies

② Promote penetration of brand standardization

③ Aggressively enhance functions (including M&A)

3 Plan for 2013



Statements of Operations (Forecast of Full-year Consolidated Results)

<u>Consolidated (¥ million)</u>	2012 Results	2013 Plan	YoY Change
Net Sales	18,705	23,300	+24.6%
Operating Income	1,149	1,470	+27.9%
Ordinary Income	1,133	1,430	+26.1%
Net Income	708	770	+8.7%

- Substantial YoY increases planned for net sales and each level of income
- Plan to reach record highs for operating income and ordinary income

Net Sales (Forecast of Full-year Results by Division)

Consolidated (¥ million)		2012 Results	2013 Plan	YoY Change
Business Division	Net Sales	12,317	15,000	+21.8%
Consumer Division	Net Sales	6,852	9,000	+31.3%

Substantial YoY increases expected in both the Business Division and the Consumer Division

Net Sales (Full-year Forecast: Business Division)

<u>Consolidated (¥ million)</u>	2012 Results	2013 Plan	YoY Change
① Personnel System & Education Support (MM)	3,200	3,750	+17.2%
② Recruiting Support (EM)	2,548	3,100	+21.7%
③ Sales & Marketing Support (CM)	5,948	7,500	+26.1%
④ IR & SR Support (IR)	619	650	+5.0%

Forecast for substantial YoY growth in fields ①, ② and ③ as corporate investment in human resources recovers and the need for temp staff increases.

Net Sales (Full-year Forecast: Consumer Division)

Consolidated (¥ million)	2012 Results	2013 Plan	YoY Change
Academy-related (Schools/Preparatory Schools)	6,209	8,300	+33.7%
Entertainment-related (Sports/Restaurant)	642	700	+8.9%

Substantial growth forecast in the academy-related field due to the integration of Daiei Education System and steady growth of Aviva's qualification support service

2013 Dividend Policy

- Dividends paid quarterly
- Fixed dividend of ¥300 per quarter, ¥1,200 annually

4 TOPICS



Notification of Change in Largest Shareholder

February 12, 2013

The Company's largest shareholder, Chairman and Representative Director Yoshihisa Ozasa, transferred shares of the Company to PHENIX CO., LTD., his asset management company.

Shares held (shareholding ratio)	Before change As of February 8, 2013	After change As of February 12, 2013
Yoshihisa Ozasa	71,808 shares (26.60%) Largest Shareholder	8,008 shares (2.97%)
PHENIX CO., LTD. Note: Mr. Ozasa's asset management company	49,200 shares (18.23%)	113,000 shares (41.86%) Largest Shareholder
Total	121,008 shares	121,008 shares

An event held after the General Meeting of Shareholders on March 23

Links Learn together, enjoy together, create together

A membership organization that links stakeholders who sympathize with the initiatives of the Link and Motivation Group

5,400
members

As of February 1, 2013

LinkDay A day to experience the Link and Motivation Group

An opportunity for direct interaction with stakeholders who sympathize with the initiatives of the Link and Motivation Group

【Sample programs】 Note: Enables experience of Group services

- Lecture by Group representative Yoshihisa Ozasa
- Motivation aptitude diagnosis
- Motivation Manager qualification course
- Aviva satellite classroom
- Cross-cultural communication
- Fashion course held by a professional



Link and Motivation Inc.

Consolidated Financial Information for the Fiscal Year Ended December 31, 2012



ひとりひとりの本気がこの世界を熱くする

Link and Motivation Group

