

# Link and Motivation Inc.

## Consolidated Financial Information for the Six Months Ended June 30, 2013 (First Half of 2013)

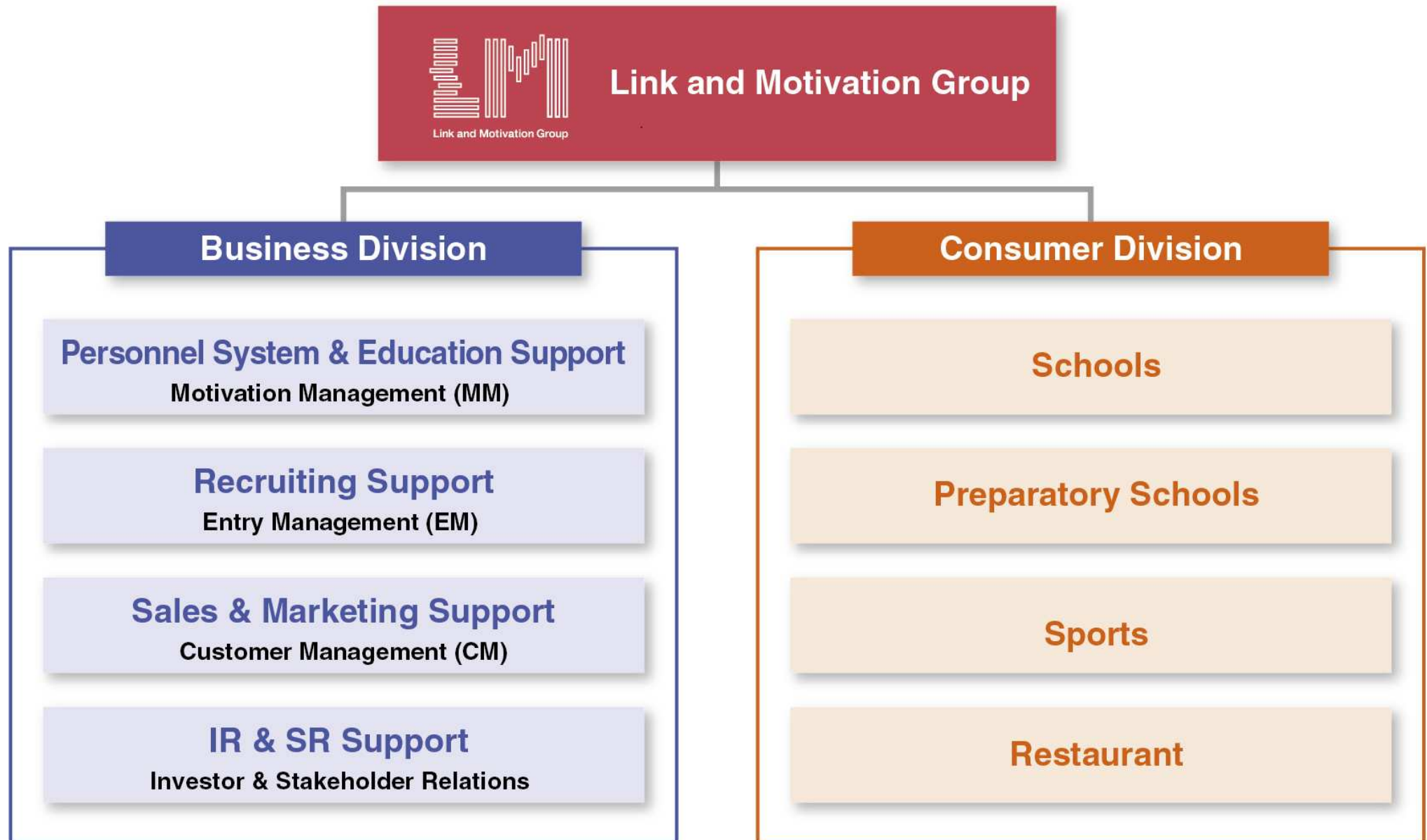


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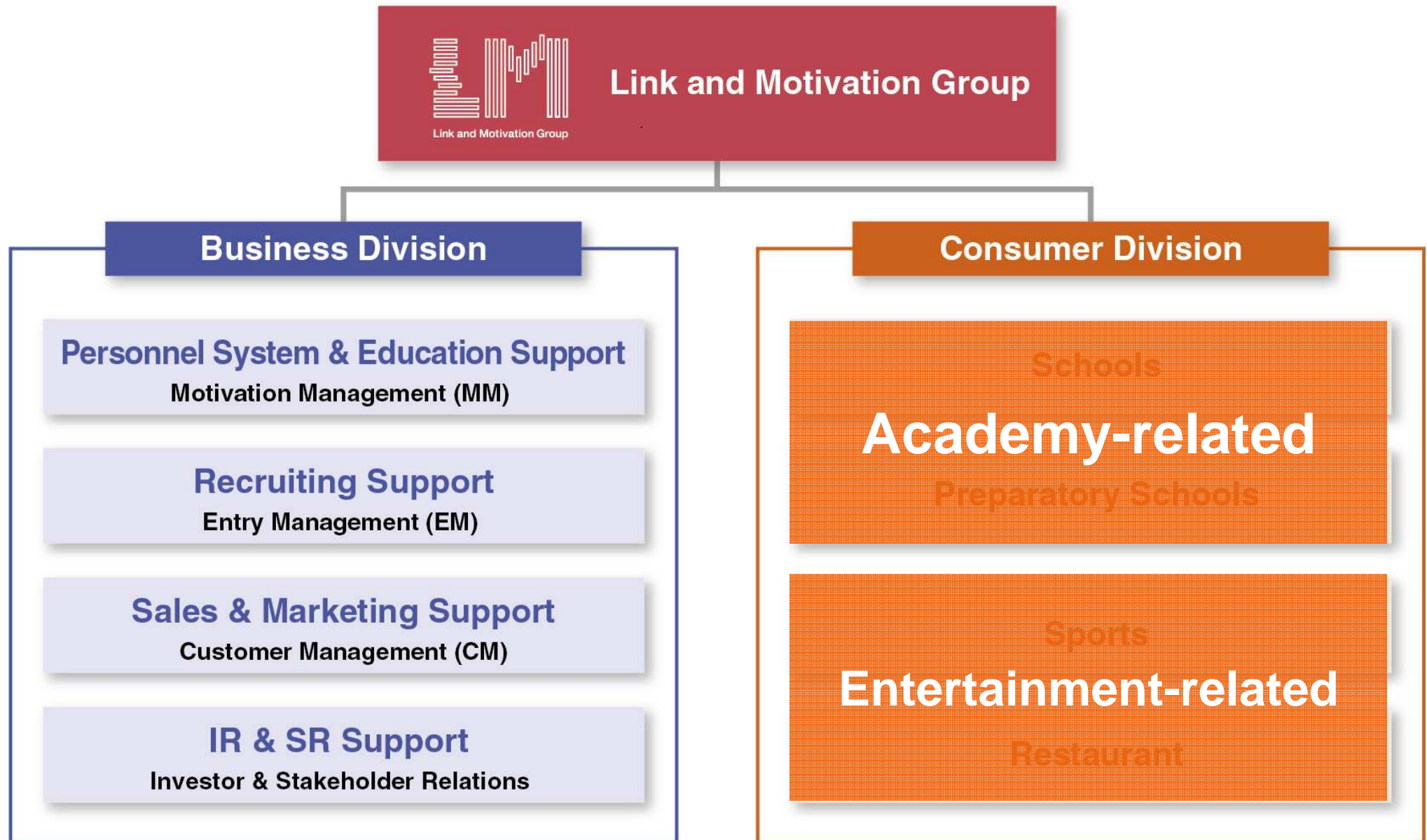
Link and Motivation Group



# 2013 Link and Motivation Group Operating Structure



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# Statements of Operations (vs. Same Period of Previous Year)

Consolidated (¥ million)	First Half 2012	First Half 2013	YoY Change
Net Sales	9,106	11,349	+24.6%
Operating Income	439	642	+45.9%
Ordinary Income	430	628	+45.9%
Net Income	178	309	+72.9%

- Solid performance in both segments, with substantial increases in net sales and each level of income compared with the same period of the previous year.
- Net sales, operating income and ordinary income all set new record highs.

# Sales & Gross Profit by Segment (vs. Same Period of Previous Year)

Consolidated (¥ million) [Gross profit in brackets]		First Half 2012	First Half 2013	YoY Change
Business Division	Sales	5,974	7,203	+20.6%
	Gross Profit	[2,499]	[2,925]	+17.0%
Consumer Division	Sales	3,302	4,605	+39.5%
	Gross Profit	[1,098]	[1,592]	+44.9%

- Continuing from the first quarter, solid performance in all fields of both the Business Division and the Consumer Division, with substantial increases compared with the same period of the previous year.

# Business Division: Sales & Gross Profit (vs. Same Period of Previous Year)

Consolidated (¥ million) [Gross profit in brackets]	First Half 2012	First Half 2013	YoY Change	Product Trends
① Personnel System & Education Support (MM)	1,650 [1,094]	1,773 [1,285]	+7.5% +17.5%	Consulting (personnel systems/ training services) ↑ New employee training services ↑
② Recruiting Support (EM)	1,314 [686]	1,555 [857]	+18.3% +24.9%	New graduate recruiting services ↑ New graduate introduction services ↑
③ Sales & Marketing Support (CM)*	2,688 [545]	3,547 [625]	+31.9% +14.7%	Fashion industry temp staffing ↑ Communications devices industry temp staffing ↑
④ IR & SR Support (IR)	320 [173]	326 [157]	+1.8% -9.4%	Annual reports ↑ Video distribution ↓

\* Because Link Marketing Inc. was added to the Group in February 2012, it is not included in January 2012 results for ③ Sales & Marketing Support (CM).

- ① In Personnel System & Education Support, sales increased and gross profit increased substantially due to strong sales of consulting and training services.
- ② In Recruiting Support, sales and gross profit both increased substantially due to strong sales of new graduate recruiting and introduction services.
- ③ In Sales & Marketing Support, sales and gross profit both increased substantially due to strong sales of temp staffing for the fashion and communications devices industries.
- ④ In IR & SR Support, sales increased due to growth in sales of annual reports, but gross profit decreased.

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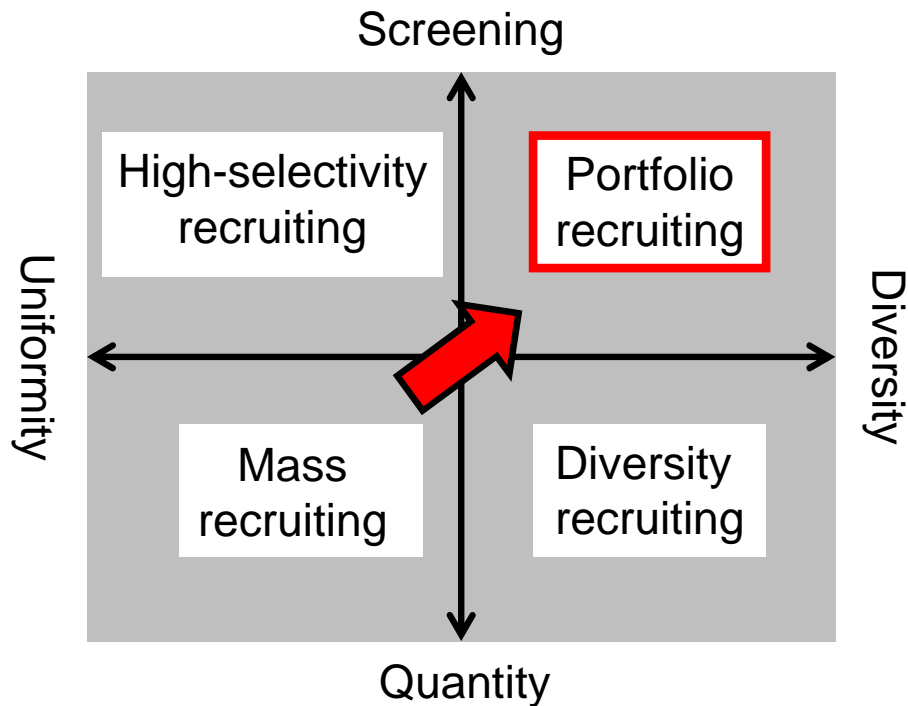
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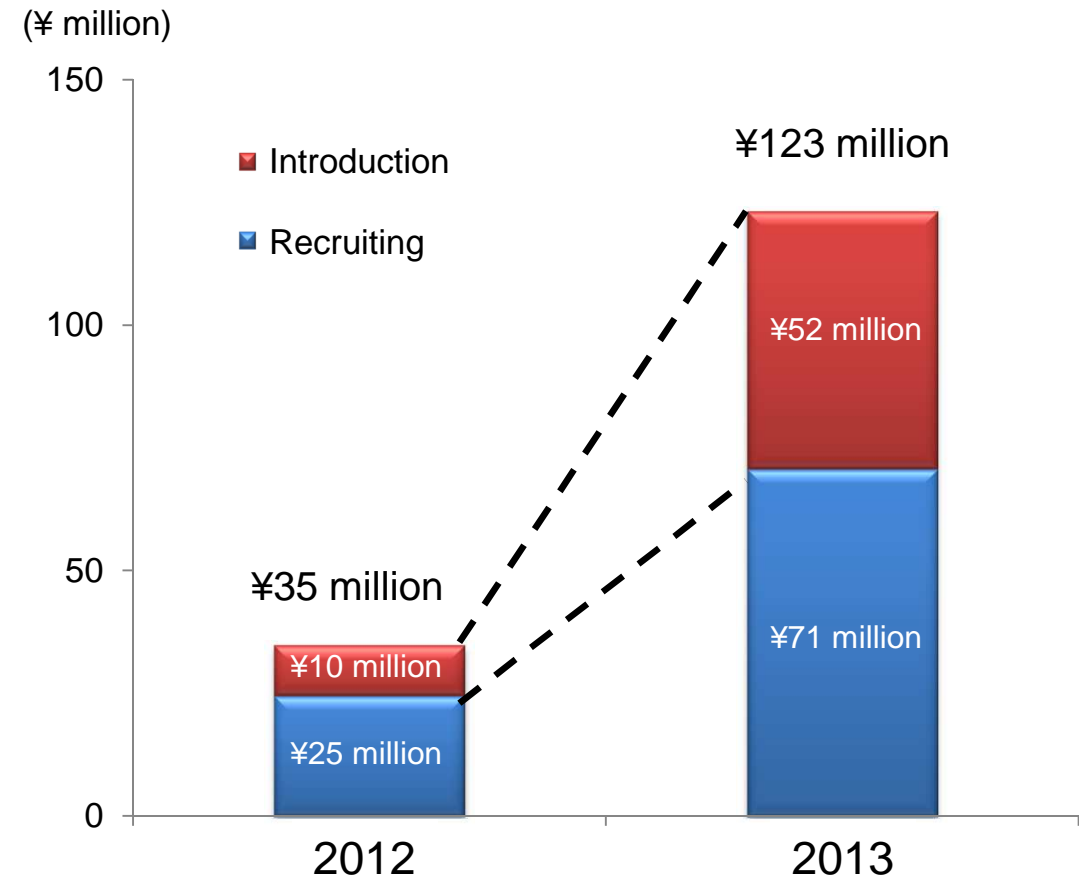
# Business Division: Recruiting Support (EM)

## Change in Recruiting Environment



From a model based on use of job-search media to  
a model based on new graduate recruiting/introduction

## First-Half Sales of New Graduate Recruiting/Introduction Services



- New graduate recruiting/introduction services increased substantially YoY by responding to the shift to portfolio recruiting. Ongoing substantial growth is expected, with a similar environment forecast to continue.

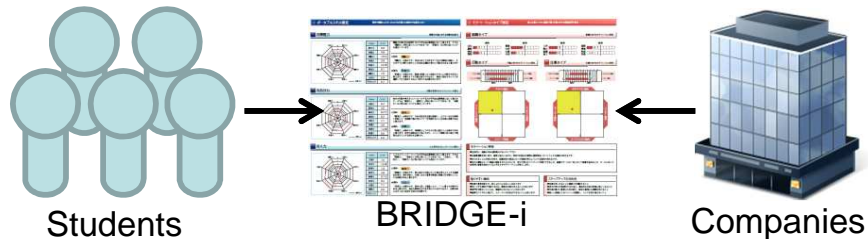


# Recruiting Support (EM): Future Development of Recruiting/Introduction Services

## Focal Points

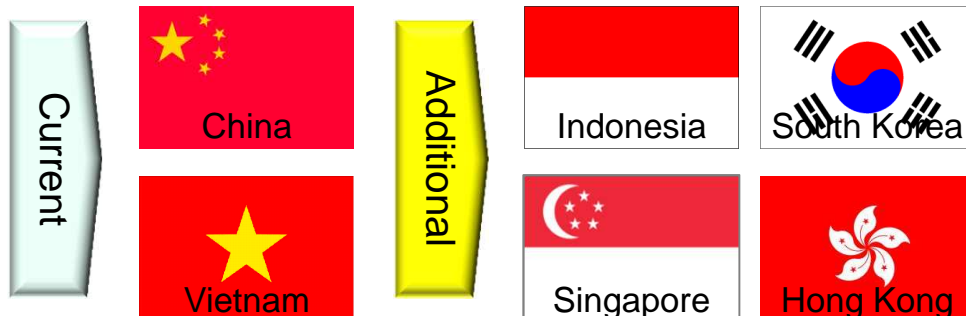
### ① Improve Matching Accuracy

Develop BRIDGE-i for diagnosis of motivation type and portable skills; build up student database



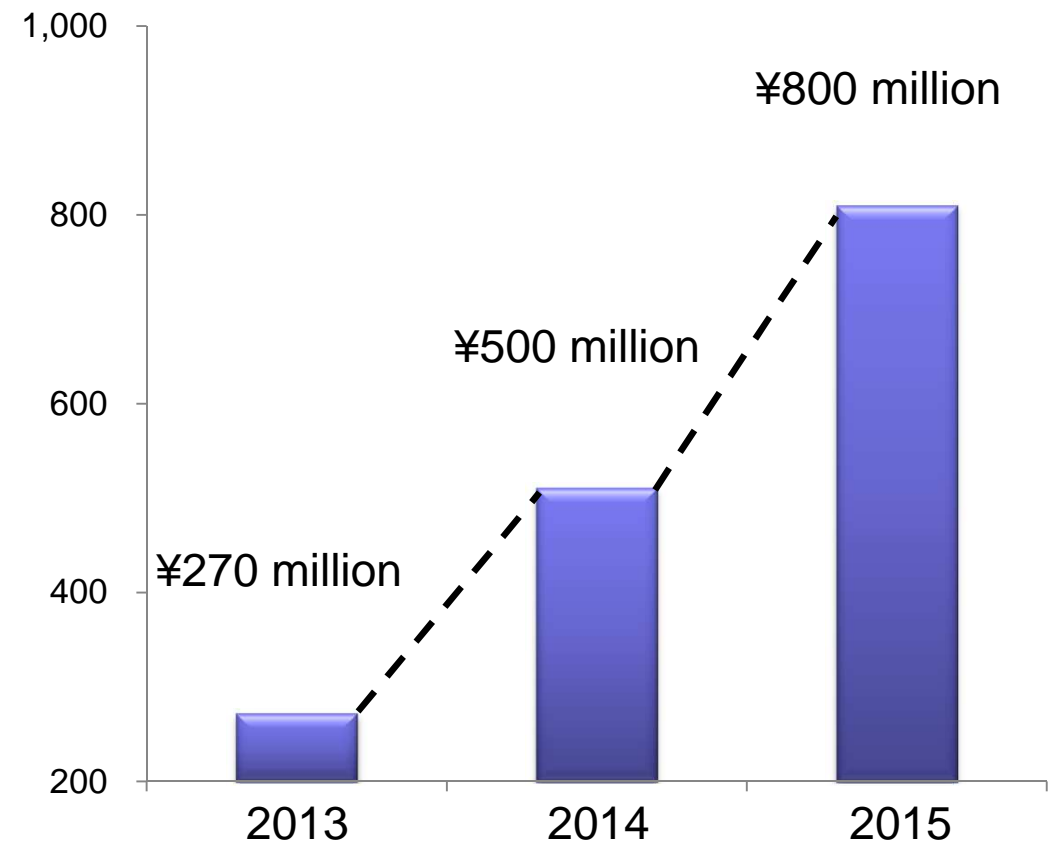
### ② Overseas Student Introduction Business

Expand country scope of AJE (Asian Job Express)



## Three-Year Sales Plan for New Graduate Recruiting/Introduction Services

(¥ million)



- Improve matching accuracy by building up the database and secure diverse students by strengthening AJE with a target of net sales of about ¥800 million in 2015.

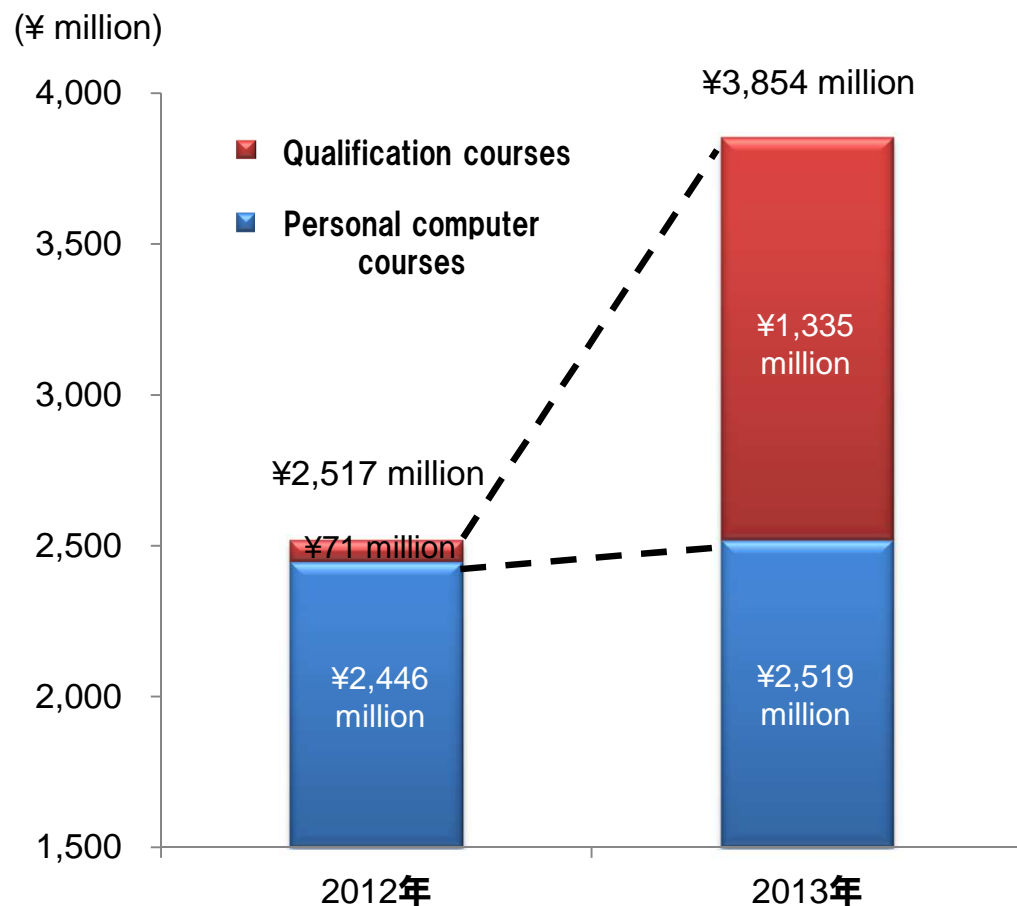
# Consumer Division: Sales & Gross Profit (vs. Same Period of Previous Year)

Consolidated (¥ million) [Gross profit in brackets]		First Half 2012	First Half 2013	YoY Change	Product Trends
①・②	Academy-related	3,048	4,284	+40.5%	Qualification courses ↗
	(Schools/Preparatory Schools)	[1,060]	[1,522]	+43.5%	Personal computer courses ↗
③・④	Entertainment-related	253	320	+26.6%	Sponsorship income ↗
	(Sports/Restaurant)	[37]	[69]	+84.3%	

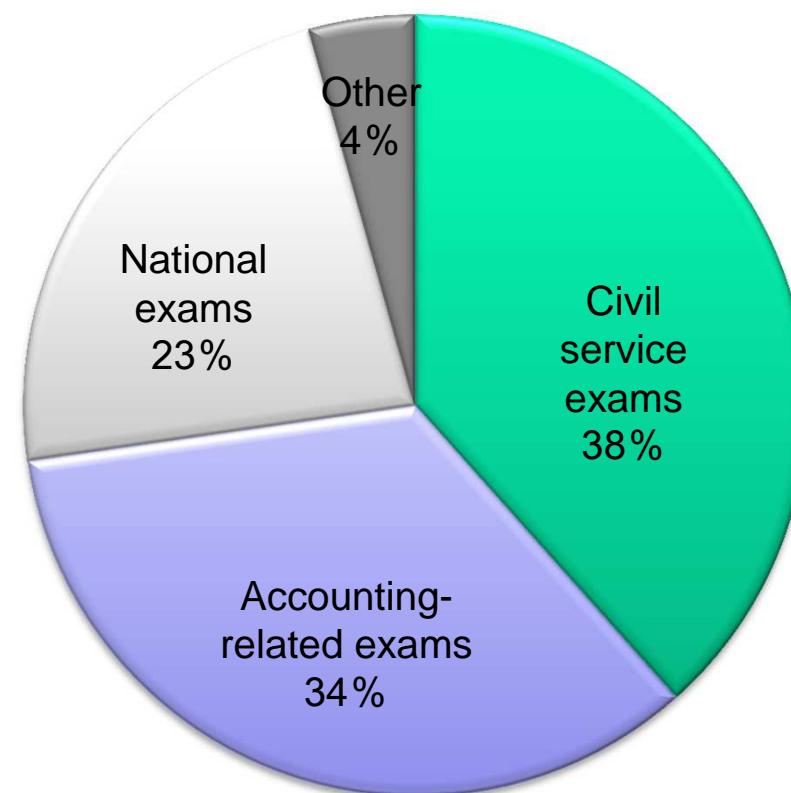
- ①・② In Academy-related fields, sales and gross profit both increased substantially YoY due to increases in qualification and personal computer courses at Aviva and the addition of Daiei Education System Co., Ltd. to the Group in the schools field.
- ③・④ In Entertainment-related fields, sales and gross profit both increased substantially YoY with a significant increase in sponsorship income in the sports field.

# Consumer Division: Academy-Related

## First-Half Sales of Qualification and Personal Computer Courses



## Composition of First-Half Sales of Qualification Courses



- With the addition of Daiei Education System Co., Ltd. to the Group, locations offering qualification courses increased from 111 to 146 and sales increased substantially compared with the same period of the previous year.

# Balance Sheets (vs. End of Previous Year)

<u>Consolidated (¥ million)</u>	Dec. 31, 2012	June 30, 2013	Change
Current Assets	5,454	4,886	-567
Property and Equipment	4,848	6,376	+1,527
Total Assets	10,303	11,263	+960
Current Liabilities	4,553	5,408	+855
Long-term Liabilities	2,501	2,433	-67
Net Assets	3,248	3,421	+172
Total Liabilities and Net Assets	10,303	11,263	+960

- Substantial increases in assets and liabilities with the integration of Daiei Education System Co., Ltd.
- Net assets also increased because the increase from income for the period exceeded the decrease due to payment of dividends.

## ○ Dividend Policy for 2013

- Dividends paid quarterly
- Fixed dividend of 150 yen for each quarter, 600 yen annually

Note: A stock split was conducted with a record date of April 30, 2013.

## ○ 2013 2Q Dividend

- As initially planned, a **150 yen** per-share dividend, with planned payment date of **September 25, 2013.**

	1Q Actual	2Q Planned	3Q Planned	4Q Planned
Per-share dividend	<b>300 yen</b>	<b>150 yen</b> (reflects stock split)	150 yen (reflects stock split)	150 yen (reflects stock split)

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