

Link and Motivation Inc.

Consolidated Financial Information for the Fiscal Year Ended December 31, 2007



ひとりひとりの本気がこの世界を熱くする

Link and Motivation Group



Company Profile

Established

April 7, 2000

Mission

To contribute to the revitalization of society through motivation engineering

Employees

327 (consolidated), 261 (non-consolidated) (As of February 1, 2008)

Average Employee Age

29.2 (As of February 1, 2008)

Fiscal Year End

December 31

Representative

Yoshihisa Ozasa

Business Description

Consulting on corporate transformation through motivation engineering

Business Areas

1

Motivation
Engineering
(Organizational Strategy)

2

Entry
Management
(Recruiting Strategy)

3

Place
Management
(Place Strategy)

4

Brand
Management
(Brand Strategy)

Conducting Corporate Transformation Consulting in Four Areas

Presentation Agenda

- 1 . Financial Highlights of the Fiscal Year
Ended December 31, 2007**
- 2 . Results by Business**
- 3 . Forecast of Results for 2008**

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Financial Highlights of the Fiscal Year Ended December 31, 2007

The logo for Link and Motivation Group is displayed on a building facade. It features a stylized 'L' and 'M' composed of horizontal bars, with the text 'Link and Motivation Group' written below it.

Link and Motivation Group

Comparison with Plan

Consolidated (¥ million)	2007 Plan	2007 Results	Comparison
Net Sales	8,000	8,184	102.3%
Operating Income	1,280	1,361	106.3%
(Operating Margin)	(16.0%)	(16.6%)	
Ordinary Income	1,230	1,332	108.3%
Net Income	729	743	102.0%

Both Sales and Income Exceeded Plan

Year-on-Year Comparison

Consolidated (¥ million)	2006 Results	2007 Results	(Year-on-year change)
Net Sales	6,356	8,184	+ 28.8%
Operating Income (Operating Margin)	858 (13.5%)	1,361 (16.6%)	+ 58.6%
Ordinary Income	858	1,332	+ 55.2%
Net Income	464	743	+ 60.1%

We achieved our seventh consecutive year of increased sales and income since our establishment.
The operating margin rose 3.1 points.

Main Factors behind Increased Net Sales

Increased recognition, broader customer base

· 1,721 companies in 2007 (+ 24.8%)

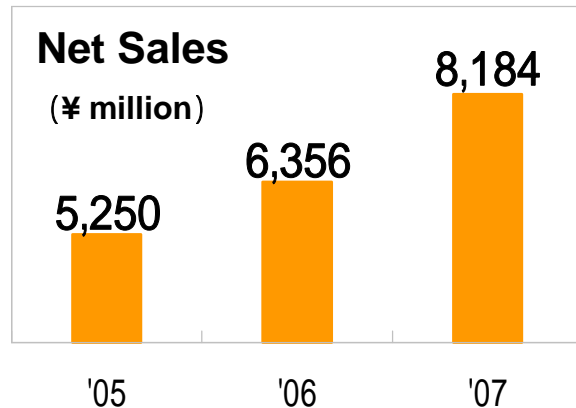
Growth in existing businesses

· Motivation Management Business + 11.9%

· Entry Management Business + 22.0%

Strong performance in new business

· Brand Management Business net sales ¥877 million



Note: Year-on-year comparisons

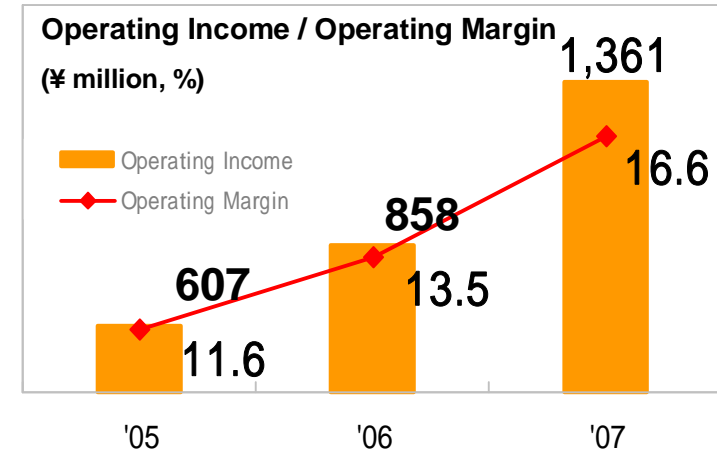
Main Factors behind Increased Operating Income

Increased Net Sales

- Net sales growth rate + 28.8%
- Absolute increase (+ ¥502 million)

Effect of reducing operating costs

- Decrease in ratio of SG&A expenses to net sales: 44.3% (- 5%)
- Increase in operating margin (+ 3.1 points)



Note: Year-on-year comparisons

Factors behind Changes in Other Line Items

Non-operating Expenses

Expenses incurred on listing stock

- Stock listing expenses: ¥28 million

Extraordinary Losses

Expenses incurred due to relocation of Osaka Branch

- Loss on disposal of fixed assets: ¥11 million

Loss due to stricter evaluation of investment securities

- Loss on valuation of investment securities: ¥9 million

Company Topics

Relocation of Osaka Branch
Relocation to Hilton Plaza West Office Tower (June)



Increase from 310m² to 582m² (including training facilities)

Balance Sheet Summary (Assets)

Consolidated (¥ million)	2006 Results	2007 Results	(Year-on-year change)
Current Assets	2,759	3,478	+ 717
Fixed Assets	302	275	- 27
Intangible Assets	177	698	+ 521
Total Assets	3,667	5,013	+ 1,346

Main factors in Year-on-year change:

Current Assets

- Increase in cash and cash equivalents due to capital increase (issuance of new shares) and increased cash flow from operating activities

Intangible Assets

- Recorded goodwill (¥520 million) from business transfer

Balance Sheet Summary (Liabilities / Net Assets)

Consolidated (¥ million)	2006 Results	2007 Results	(Year-on-year change)
Current Liabilities	1,462	1,596	+ 133
Long-term Liabilities	315	90	- 225
Net Assets	1,889	3,326	+ 1,437
Total Liabilities and Net Assets	3,667	5,013	+ 1,346

Main factors in Year-on-year change:

Long-term Liabilities

- Steady repayment of debt

Net Assets

- Increased common stock and additional paid-in capital from new share issuance
- Increased net income due to good performance

Cash Flow Summary

Consolidated (¥ million)	2006 Results	2007 Results	(Year-on-year change)
C/F from Operating Activities	474	937	+ 463
C/F from Investing Activities	(270)	(794)	- 524
C/F from Financing Activities	142	292	+ 150

Main factors in Year-on-year change:

Operating Activities: Increased net income due to sales growth (¥279 million)

Investing Activities: Transfer of business from ODS Corporation (¥517 million)

Financing Activities: Capital procurement through new share issue (¥869 million)

Dividends

¥ per Share	2006 Results	2007 Results	(Year-on-year change)
1 st Quarter	-	-	
Interim	420	655	
3 rd Quarter	-	163	
Year-end	704	947 (scheduled)	
Full-year	1,124	1,765	+ 641
Note: Quarterly dividends issued from the 3 rd quarter of 2007			
Total dividends paid (full-year) (¥ million)	139	231	
Payout ratio (full-year)	27.4%	30.0%	

Increase of ¥641 per share

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Results by Business

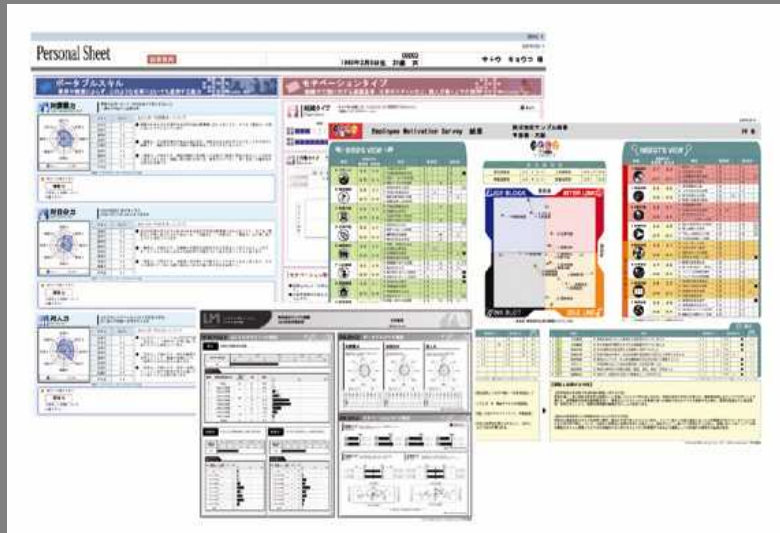


Core Technique: Motivation Engineering

Diagnosis

Database
Diagnosis

Diagnostic service
using surveys and
databases



Transformation

Consulting

Services by consultants
on specific issues

Packages

Services by
standardized programs

Outsourcing

Business task
outsourcing services

Member
Services

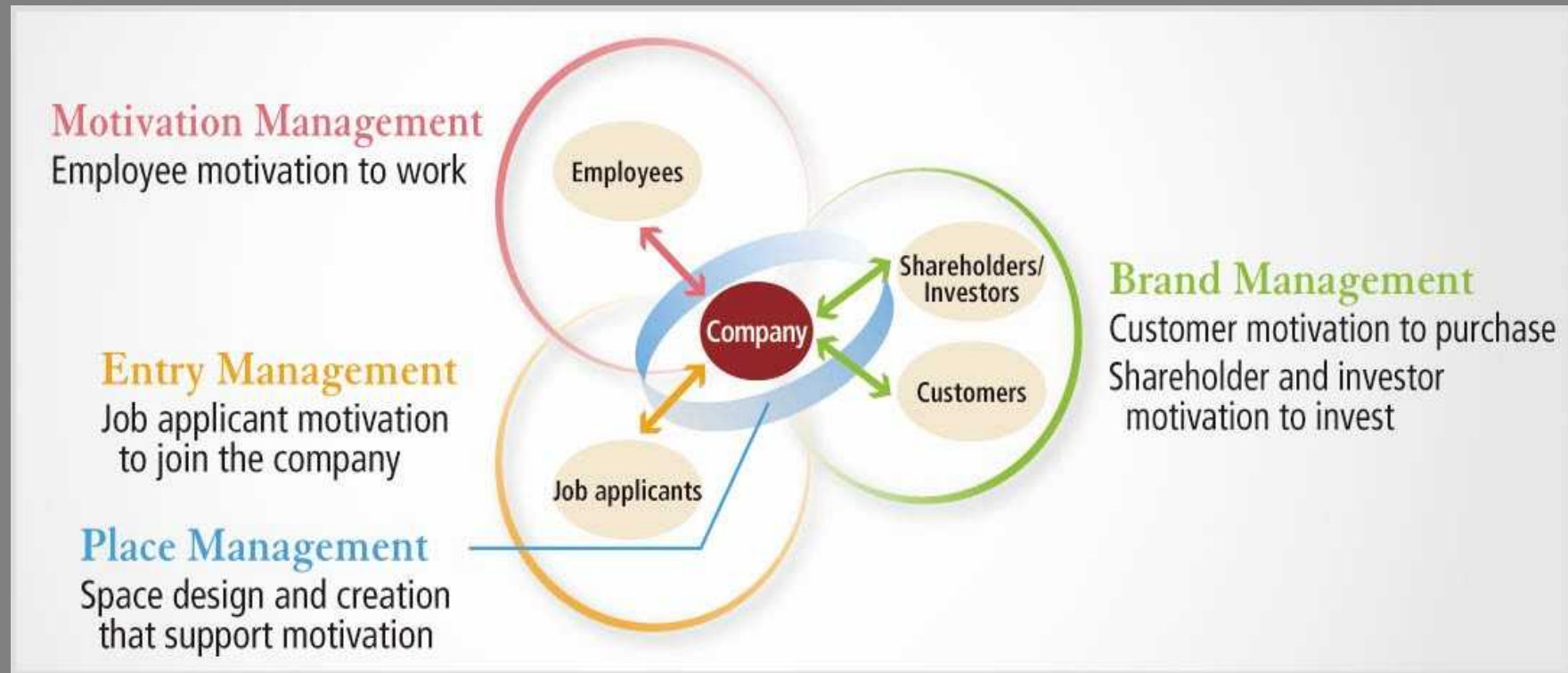
Membership-based
services

Creative

Planning and production
on various materials

“Motivation engineering” is composed of **diagnostic techniques** and **transformation techniques**.

Business Areas



We are applying our motivation engineering,
our core technique, to **stakeholder management**.

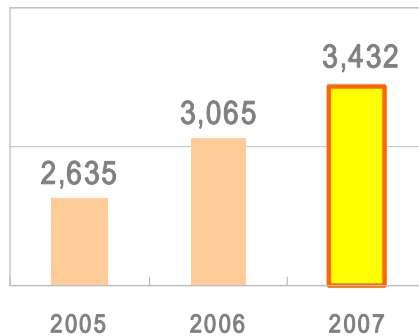
Full Product and Service Lineup

Product Area	Business Area		Motivation Management (Organizational Strategy)	Entry Management (Recruiting Strategy)	Place Management (Place Strategy)	Brand Management (Brand Strategy)
	Category					
Diagnostic Products	Database Diagnosis		Employee Motivation Diagnosis: Employee Motivation Survey (EMS)	Individual Diagnosis: Business Aptitude Test (BAT)	Workplace Diagnosis: Workplace Motivation Survey (WMS)	Lifestyle Diagnosis: Lifestyle Motivation Index (LSMI)
	Consulting		Personnel Systems	Graduate Recruiting	Space Utilization	Brand Building
Educational Training			Mid-career Recruiting	Virtual Place	Marketing	
Organizational Climate			—	—	Investor Relations (IR)	
Transformational Products	Package		Management Training: Lincoln	Internship: CAMPUS	—	Management Strength Training: PARK
			New Employee Training: Darwin	Hands-on Seminar: CINEMA	—	—
			Motivation Control Training: Galileo	Interviewer Training: RING	—	—
			Top Management Training: Plato	Recruiter Training: CANDLE	—	—
	Outsourcing		Support for Employee General Meetings	Recruiting Support	Workplace Operation Support	—
	Member Services		Motivation Company Club	—	CABINs	—
	Creative		Vision Movie	Recruiting Pamphlet	Office Operation Manual	Annual Report
			Vision Book	Recruiting Video	—	CSR Report
	Other		Public Speaking, Writing, etc.			

“Business Area” x “Category” = **Integrated Business Structure**

Motivation Management Business

Net Sales (¥ million)



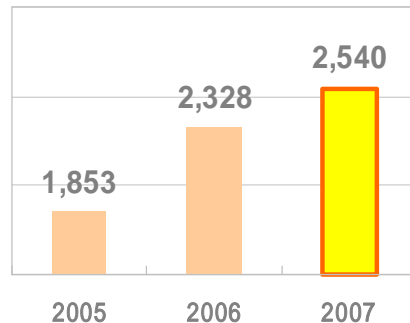
Year-on-year change: ¥367 million (11.9%) increase

Increased willingness of corporations to invest in personnel

Sales strategy functioning effectively

- Strong sales of training programs and organizational climate consulting

Gross Profit (¥ million)

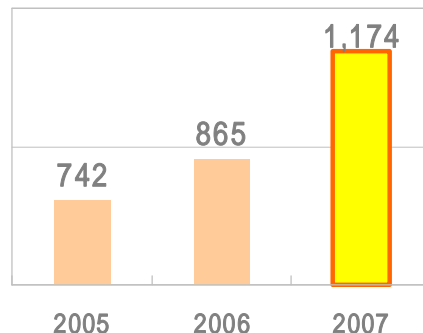


Year-on-year change: ¥212 million (9.1%) increase

Strengthened sales of high-margin database diagnosis and packaged products

- Employee Motivation Survey (EMS) (¥305 million)
- New Employee Training (Darwin Series) (¥638 million)
- Management Training (Lincoln Series) (¥552 million)

Number of Clients (Companies)



Year-on-year change: increase of 309 clients (35.7%)

Expansion of client base in a wide range of industries

- Number of “Motivation Company Club” members doubled in a wide range of industries.

Motivation Management Business Topics

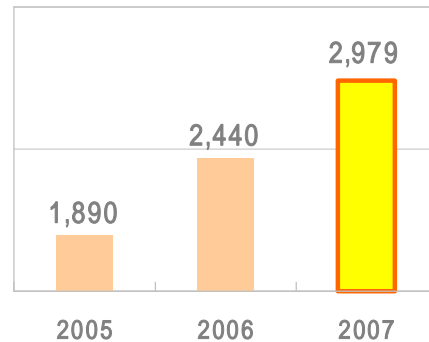
Motivation Company Club Membership Doubled From Previous Year



The number of members in the Motivation Company Club, a low-cost (¥400-500,000) membership service aimed at expanding the client base, increased from 250 (12/06) to 480 companies (12/07).

Entry Management Business

Net Sales (¥ million)



Year-on-year change: ¥539 million (22.0%) increase

Overheated new graduate employment market

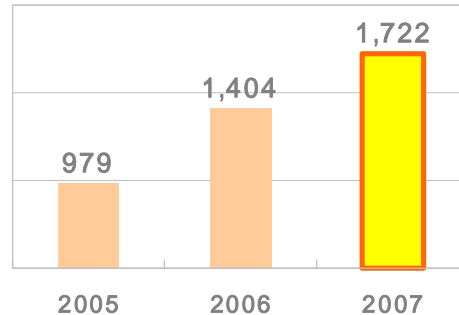
- 2007 problem – falling birth rate means corporations have increased willingness to recruit.

Note: Effective rate of 2.14 job offers for each new graduate

Establishment of stronger profit base

- Construction of a comprehensive recruiting system

Gross Profit (¥ million)



Year-on-year change: ¥318 million (22.6%) increase

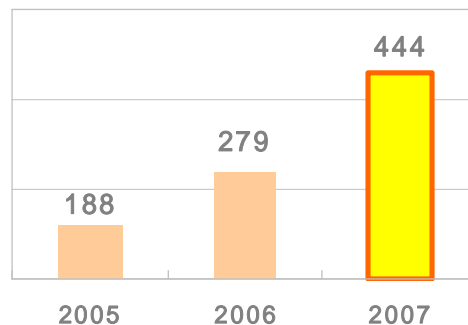
Stronger sales of high-margin database diagnosis products, good performance by consulting products

- Start of sales of Business Aptitude Test (BAT)

Note: Adopted by 330 companies in its first year

- Effect of cost reduction efforts

Number of Clients (Companies)



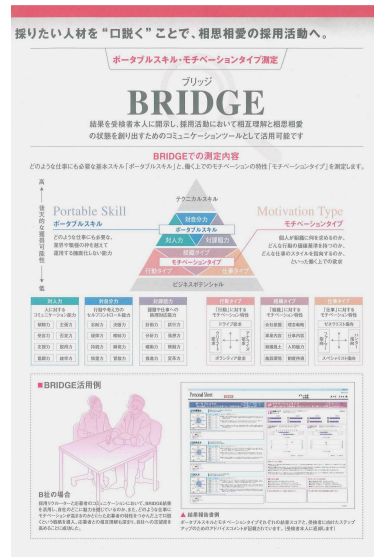
Year-on-year: increase of 195 new clients (59.1%)

Creation of a broader client base

- Full-scale start of recruitment outsourcing service
(Offered by wholly owned subsidiary Link Associa Inc.)

Entry Management Business Topics

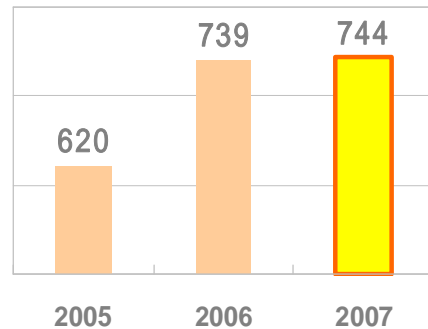
Full-scale start of Business Aptitude Test (BAT) in January



BAT is a cutting-edge business aptitude test developed in-house, measuring true “business potential” rather than “academic ability.”
In the first year of its release, 330 companies adopted BAT.

Place Management Business

Net Sales (¥ million)

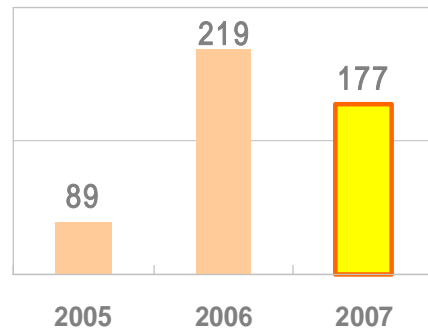


Year-on-year change: ¥5 million (0.6%) increase

Rising interest in office investment
· Solid rise in corporate investment

Increase in inquiries about place consulting services
· Demand for consulting from a neutral standpoint rather than the product-centered standpoint of a manufacturer

Gross Profit (¥ million)

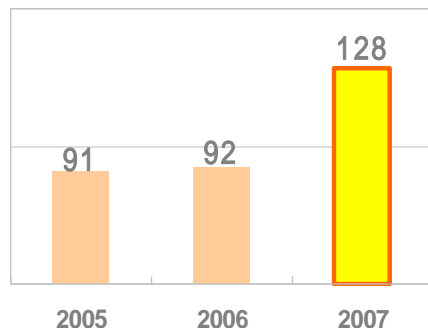


Year-on-year change: ¥42 million (19.2%) decrease

Pressure from costs of initial investment in CABINs
· Proactive investment for construction of new business model:
CABINs low-cost conference room rental service

Higher personnel expenses due to increase in employees

Number of Clients (Companies)



Year-on-year change: increase of 36 clients (39.1%)

Expansion of client base through CABINs
· CABINs has led to a substantial increase in the number of clients

Place Management Business Topics

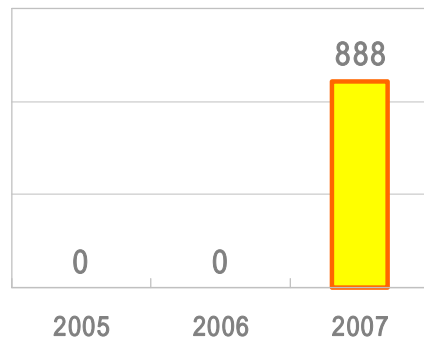
Start of Conference Room Rental Service CABINs (January)



Start of low-cost membership-based conference room rental Service (CABINs) aimed at promoting a stable revenue and client base from a mid-to-long-term perspective.

Brand Management Business

Net Sales (¥ million)



Net Sales: ¥888 million

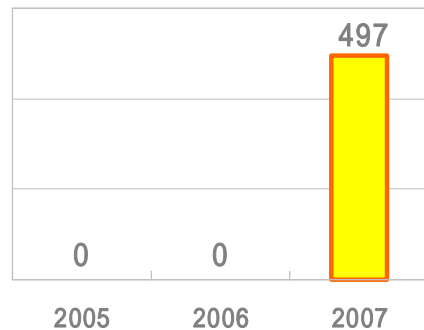
Diversification of consumer orientation

- Increased inquiries for brand strategy consulting services

Strong performance by non-consumer services

- Annual report services & IR consulting both contributed to the Group's revenue base in its initial year of operation.

Gross Profit (¥ million)



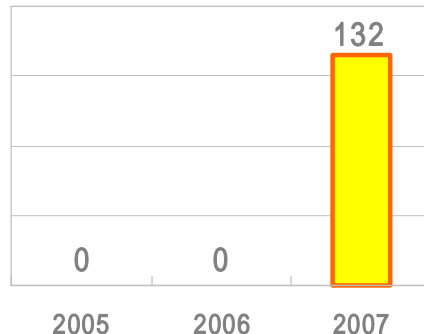
Gross Profit: ¥497 million, 55.9% gross profit margin

Strengthened sales of high-margin database diagnosis

- Life Style Motivation Index (LSMI)

Note: The oldest and largest database in Japan

Number of Clients (Companies)



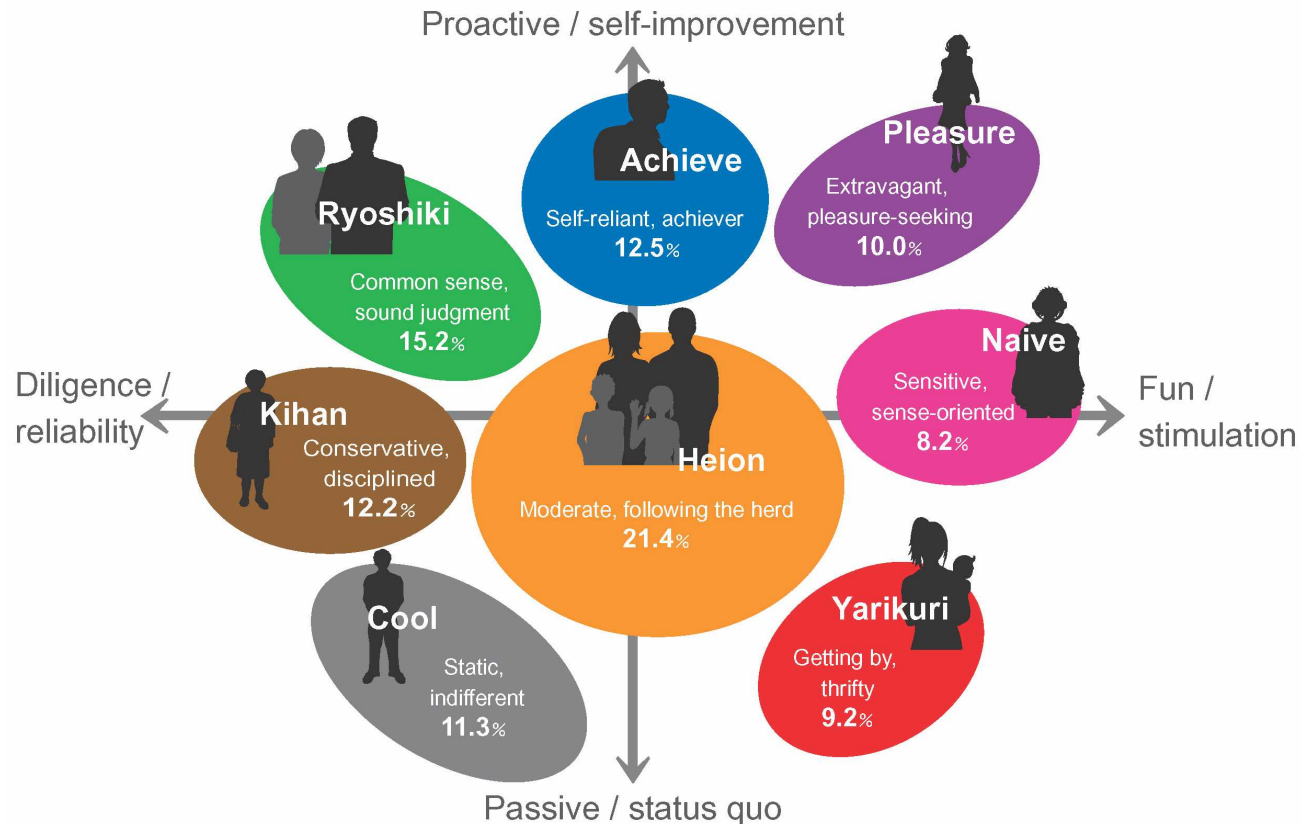
Number of Clients: 132 companies

Continuation of excellent client base

- With the transfer of operations from ODS Corporation, we have retained our excellent client base and added many new clients in its first year.

Brand Management Business Topics

Official Start of Brand Management Business (January)



The Brand Management business contributed to the Group's revenue base in its initial year of operation, with brand consulting based on the largest and oldest database in Japan.

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Forecast of Results for 2008

Policies Regarding Financial Results Forecast

Basic Policies

Open & Fair

In order to achieve highly transparent, fair and equitable corporate management, the Link and Motivation Group has established a basic policy of open and fair information disclosure to its shareholders, investors and other stakeholders.

Quarterly Forecasts of Results

Adopting its own unique 3 months = 1 year timescale, the Company provides quarterly forecasts of results as well as quarterly dividends.

Results Forecast (Full Year)

Consolidated (¥ million)	2007 Results	2008 Forecast	(Year-on-year change)
Net Sales	8,184	9,200	(112%)
Operating Income	1,361	1,660	(122%)
(Operating Margin)	(16.6%)	(18.0%)	
Ordinary Income	1,332	1,620	(122%)
Net Income	743	880	(118%)

Net sales forecast to rise 12% year-on-year, with 22% growth in operating income

- Overall 12% growth forecast, with PM business maintaining the previous year's level, MM and EM businesses growing approximately 10% and BM business up about 50%
- By strengthening sales of database diagnostics, packaged products and other high-margin products, we aim to increase earnings further through "corporate transformation."

Results Forecast (Interim Period)

Consolidated (¥ million)	2007 Results	2008 Forecast	(Year-on-year change)
Net Sales	3,897	4,300	(110%)
Operating Income (Operating Margin)	486 (12.5%)	580 (13.6%)	(119%)
Ordinary Income	485	575	(119%)
Net Income	274	310	(113%)

Net sales forecast to rise 10% year-on-year, with 19% growth in operating income

- Interim period target rate for full-year net sales (¥9,200 million) is 47%, which is basically the same amount as the previous year's interim period.

Results Forecast (First Quarter)

Consolidated (¥ million)	2007 Results	2008 Forecast	(Year-on-year change)
Net Sales	2,020	2,130	(105%)
Operating Income (Operating Margin)	236 (11.6%)	260 (12.3%)	(110%)
Ordinary Income	235	258	(110%)
Net Income	126	140	(111%)

Net sales forecast to rise 5% year-on-year, with 10% growth in operating income

The main two reasons are:

- 1) Prior investment in database and packaged products to strengthen profit base
- 2) Accelerating EM business with earlier activities to hire new graduates

Growth Strategy

1. Strengthen the Database Business

Further increase profitability and create high barriers to entry.



2. Enhance the Brand Management Business

Accelerate growth by adding new products and services and generating synergy with Motivation Management Business.

事業領域	モチベーションマネジメント (モチベーション)	エンターテインメント (エンターテインメント)	プレイスマネジメント (プレイスマネジメント)	ブランドマネジメント (ブランドマネジメント)
データベース診断	従業員モチベーション診断 (EMS)	個人診断 (BAT)	仕事環境診断 (TWS)	ライフスタイル診断 (LSM)
コンサルティング	人事制度コンサルティング 教育研修コンサルティング 組織風土コンサルティング	新卒採用コンサルティング 中途採用コンサルティング	リアルプレイス(空間)コンサルティング バーチャルプレイス(IT)コンサルティング	ブランド構築コンサルティング マーケティングコンサルティング PRコンサルティング
パッケージ	マネジメント研修「シンカー」 新入社員研修「スター」 モチベーションコントロール研修「カルオ」 トップマネジメント研修「アサシ」	インターンシップ「カンカン」 研修型セミナー「CINEMA」 異業種・業種間研修「RING」 リーダーシップトレーニング「CANDLE」	コミュニケーション活性化プレイス「DECK(デッキ)」 ファン・活性化プレイス「MAST(マスト)」 採用力強化プレイス「TRAP(トラップ)」	—
アウトソース	社員社員研修サポート	採用実習サポート	ワークプレイスオペレーションサポート	—
会員サービス	モチベーションカンパニークラブ	—	CABINS(キャビンス)	—
クリエイティブ	ビジュアルムービー ビジョンブック	採用パンフレット 採用VTR	オフィスオペレーションマニュアル	アニマルレポート CSRレポート
その他				

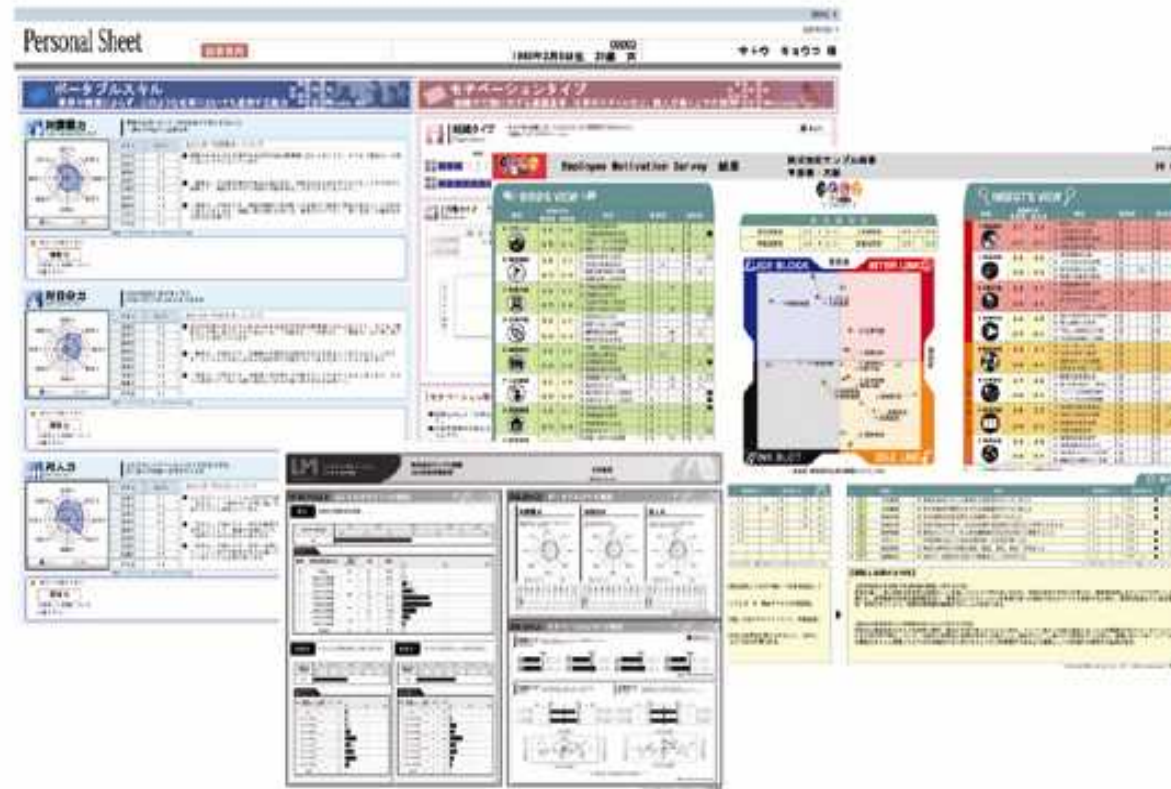
3. Aggressively Expand Operating Bases

Accelerate customer acquisition with full-scale development of operating bases in Kanto and Tokai areas.



Deployment of Capital from New Stock Issue

System Development to Bolster “Database Diagnosis”



Development of Web-based system for Business Aptitude Test (BAT) to strengthen sales and contribute to a stronger profit base in the Entry Management Business

Deployment of Capital from New Stock Issue

The New “Link Port Harumi” Training Facilities Opened in March



Four rooms completed, with 160m² for training facilities out of a total floor space of 955m². When completed, the space will accommodate double the existing amount of training programs and make a large contribution to strengthening package sales, particularly in the Motivation Management Business.

Note Regarding Forward-Looking Statements

Plans, forecasts and other forward-looking statements contained herein are based on the most reasonable judgments and reliable information available to the Company at the time of submission of this document. Actual results may differ significantly from these predictions due to a variety of factors.

While we pay our utmost attention to providing accurate information in these materials, please be aware that the Company will not bear any responsibility for any loss or damage resulting from mistaken information.

These materials have not been created to attract investment. Any decision regarding investment should be taken by individuals, based on their own personal judgment.

We request your continued support.

Thank you for your attendance today.

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