

Link and Motivation Inc.

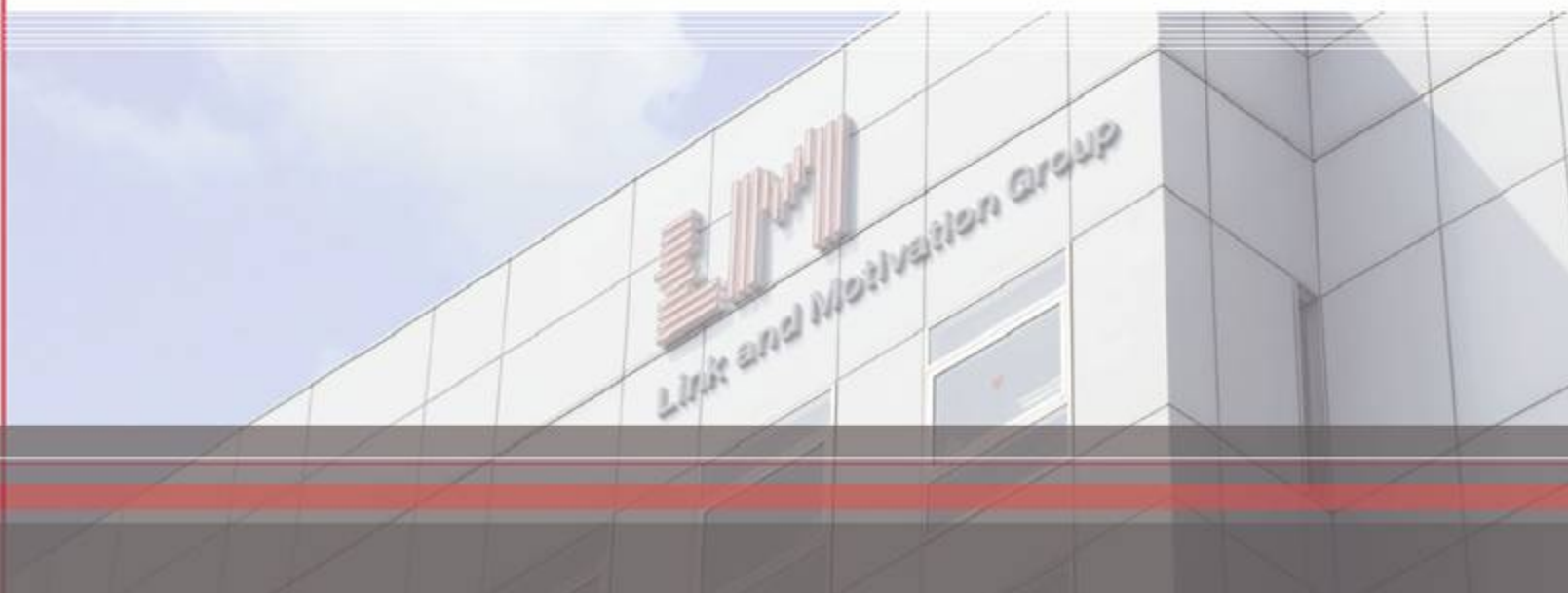
Consolidated Financial Information for the Cumulative
Third Quarter of 2008

(January 1, 2008 – September 30, 2008)



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

381 (Consolidated), 290 (Nonconsolidated) (As of November 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

Brand
Management
(Brand Strategy)

4

Place
Management
(Place Strategy)

Conducting Corporate Transformation Consulting in Four Areas

Presentation Agenda

- 1. Financial Results for the Cumulative Third Quarter of 2008**
- 2. Progress of 2008 Growth Strategy**
- 3. Secondary Offering – Results Report**
- 4. Questions and Answers**

1

Financial Results for the Cumulative Third Quarter of 2008



Cumulative Third Quarter Results vs. Plan

Consolidated (¥ million)	3Q 2008 Plan	3Q 2008 Results	(Results vs. Plan)
Net Sales	5,900	5,906	+0.1%
Operating Income	710	770	+8.5%
Ordinary Income	705	772	+9.5%
Net Income	410	438	+6.9%

Net sales, operating income, ordinary income and net income **exceeded plan**

Cumulative Third Quarter Results vs. Previous Cumulative Third Quarter Results

Consolidated (¥ million)	3Q 2007 Results	3Q 2008 Results	(Year-on-year change)
Net Sales	5,558	5,906	+6.3%
Operating Income	655	770	+17.5%
Ordinary Income	632	772	+22.1%
Net Income	342	438	+27.8%

Net sales, operating income, ordinary income and net income surpassed results for the same period of the previous year (Income significantly increased due to measures to control selling general and administrative expenses)

Net Sales by Business, Gross Profit Breakdown

Consolidated (¥ million)

Note: Figures in parentheses indicate gross profit

	3Q 2007 Results	3Q 2008 Results	(Year-on-year change)
Motivation Management Business (MM)	2,528 (1,860)	2,443 (1,796)	-3.4% (-3.4%)
Entry Management Business (EM)	1,764 (959)	1,895 (1,106)	+7.4% (+15.3%)
Brand Management Business (BM)	699 (402)	954 (571)	+36.6% (+42.3%)
Place Management Business (PM)	519 (114)	586 (112)	+12.9% (-1.4%)

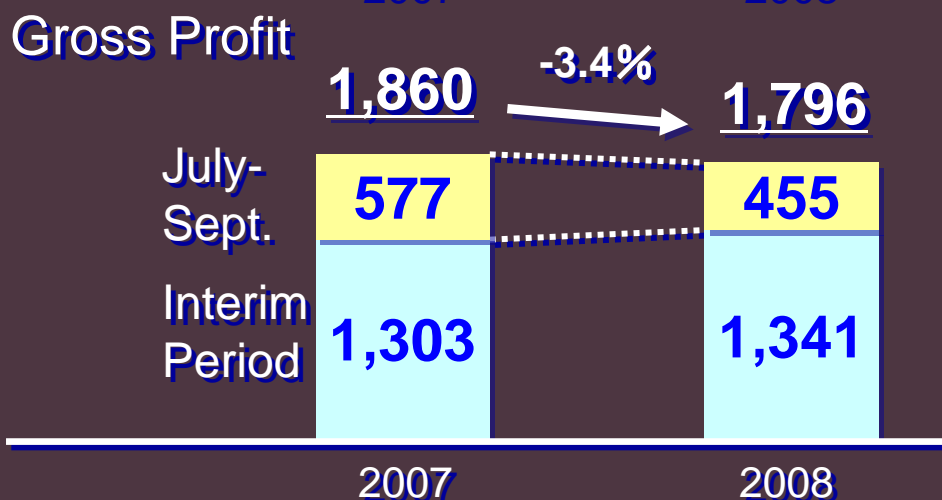
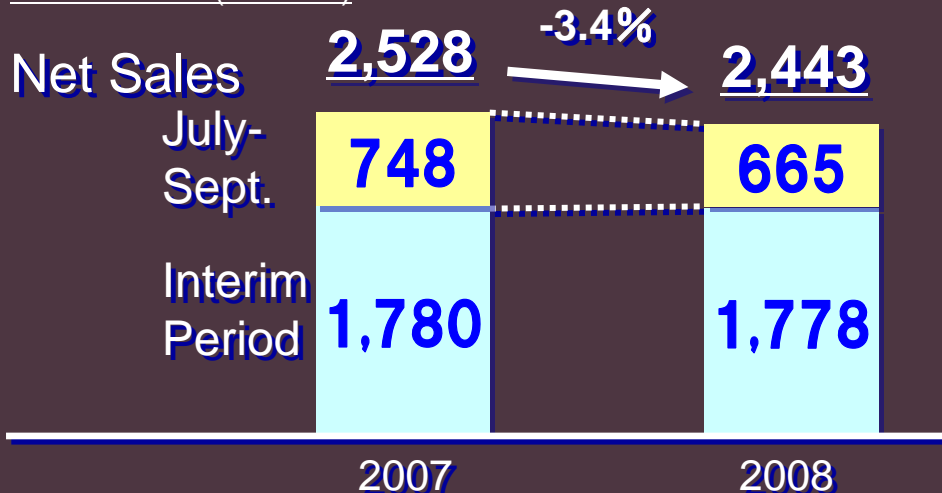
MM business: Both net sales and gross profit decreased slightly from previous cumulative 3Q

EM, BM businesses: Results increased steadily from previous cumulative 3Q

In particular, BM business net sales and gross profit **significantly increased, driving up overall results**

Cumulative Third Quarter Motivation Management Business (MM)

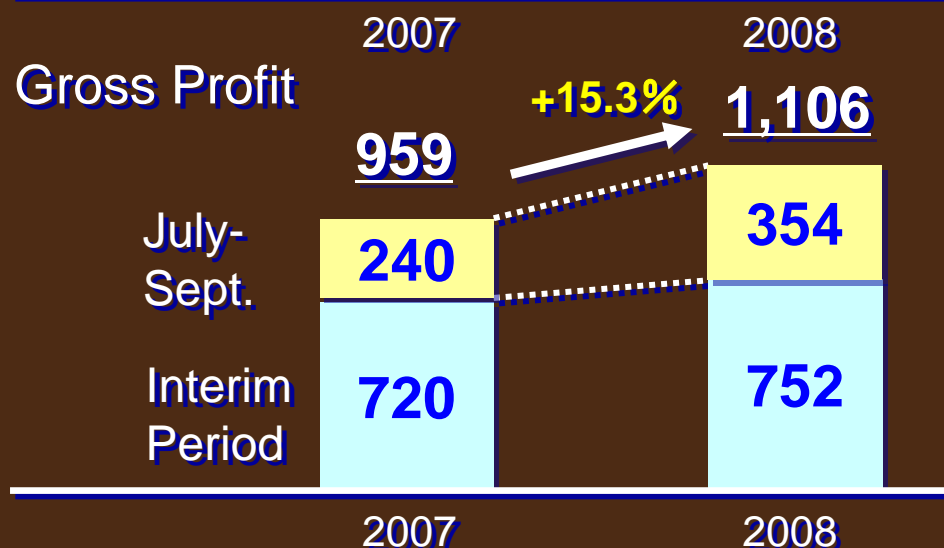
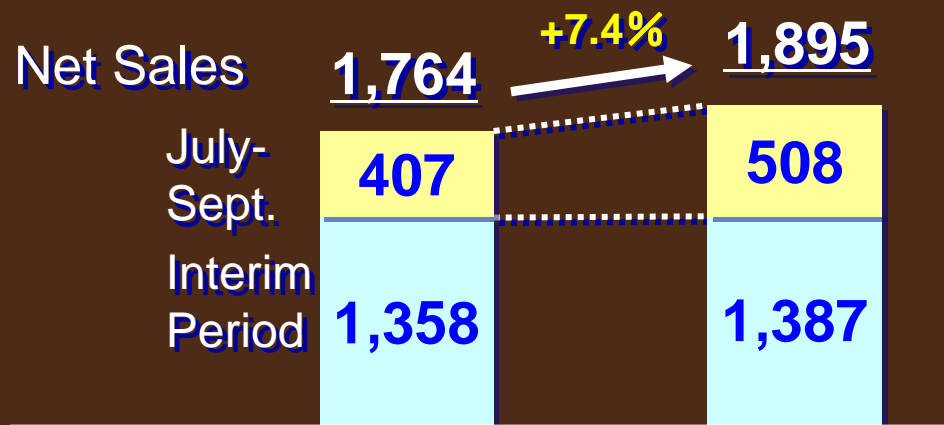
Consolidated (¥ million)



- Affected by contracting personnel and training-related budgets mainly of small-to-medium sized companies, due to economic stagnation.
- Sales to large companies were on a par with the previous year, but sales to small-to-medium-sized companies decreased.
- The shift of sales personnel activities to large companies from July 2008 will bear fruit in the future.

Cumulative Third Quarter Entry Management Business (EM)

Consolidated (¥ million)

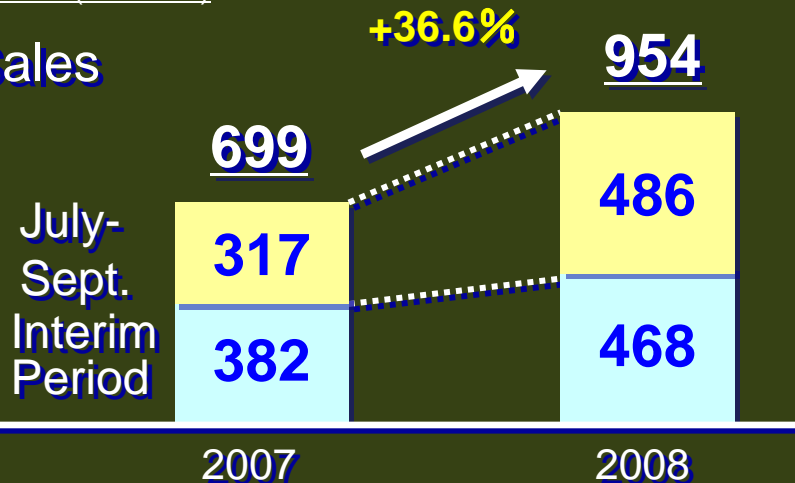


- Some industries are cutting back on the number of new graduates they recruit. Competition mainly among large companies for excellent personnel is intensifying due to a falling birthrate.
- Progress on target for highly profitable, high-value-added service “Database: BRIDGE” (Net sales ¥99 million, up 126.5% year-on-year)
- Strong sales of high repeat rate packages (programs for prospective recruits) in the three months ended September 30 (Net sales ¥36 million, up 201.4% year on year)

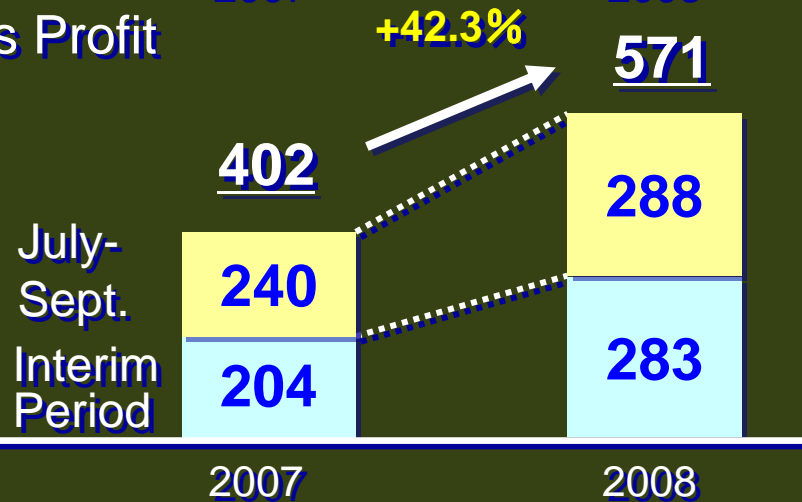
Cumulative Third Quarter Brand Management Business (BM)

Consolidated (¥ million)

Net Sales



Gross Profit



■ Branding and marketing support service business

- Solid progress for highly profitable, high-value-added database services (Net sales ¥303 million, up 50.8% year on year) and consulting (Net sales ¥177 million, up 77.8%)

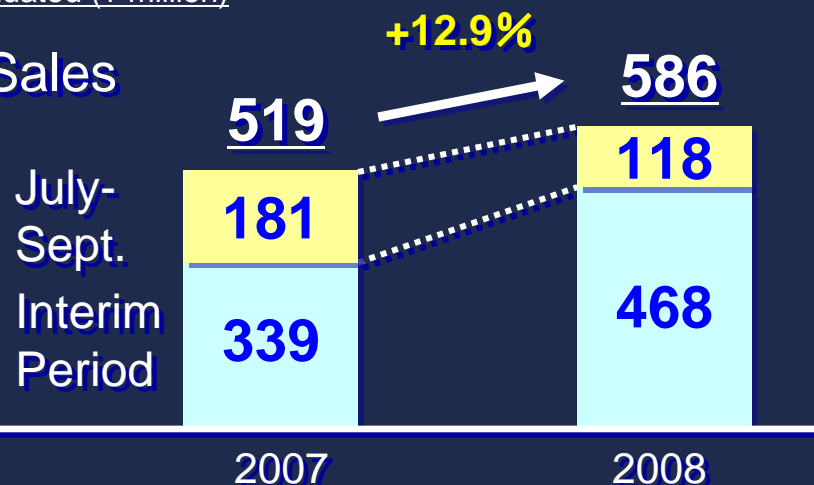
■ IR support business

- While the IR budgets of some companies are contracting due to economic conditions, annual reports, our main service, have a high repeat rate and steadily growing profits (Net sales ¥411 million, up 21.3% year on year)

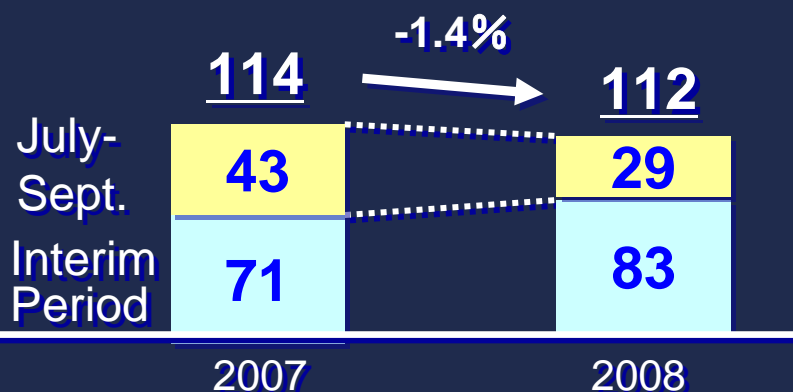
Cumulative Third Quarter Place Management Business (PM)

Consolidated (¥ million)

Net Sales



Gross Profit



- An increase in primarily small-to-medium-sized companies cutting back on office investment due to the stagnating economy
- Place management consulting, our main service, was sluggish (Net sales ¥147 million, 8.2% decrease year on year) but sales of turnkey projects increased

The high cost to sales ratio of turnkey projects resulted in a year-on-year decrease in gross profit although net sales were higher

Cumulative Third Quarter Selling, General and Administrative Expenses

Consolidated (¥ million)

2007 Results

2008 Results

Year-on-year change

Total

2,711

2,824

+4.2%

Main Expenses

Expenses Reduced

	2007 Results	2008 Results	YoY change
Salaries and bonuses	717	830	+15.8%
Rent	336	449	+33.4%
Legal welfare expenses	96	129	+35.1%

	2007 Results	2008 Results	YoY change
Advertising and promotion	103	58	-37.5%
External staff	116	75	-35.0%
Recruiting	141	107	-24.2%

Growth in personnel and office expenses stemming from increase in personnel absorbed by increased efficiency and cost control

Dividend Policy

- Dividends are paid quarterly
- Payout ratio of 30% of consolidated net income

+

Commemorative dividend of 20% for
stock exchange listing



2008 dividend payout ratio changed to
50% of consolidated net income

3rd Quarter Dividend

Forecast

(Announced February 13,
2008)

Actual

Difference

(Actual vs. Forecast)

**Dividend
per share**

¥204

¥309

¥+105

+51.5 %

Full Year and Year End Dividend Forecast Changes

	Record Date	Before Revision	After Revision
Dividends per share	Full year	¥3,248	→* ¥3,258
	Year end	¥1,732	→ ¥1,637

*Total number of shares issued and outstanding changed from 135,500 to 134,960 due to retirement of treasury stock on July 31, 2008. As a result, dividends per share increased.

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Progress of 2008 Growth Strategy



1. Strengthen Sales of Database Products

Further increase profitability
and create high barriers to entry

2. Strengthen the Brand Management Business

Accelerate growth by strengthening personnel
and expanding product service lineup

3. Aggressively Expand Business Sites

Implement full-scale business site development
to acquire new customers in the Tokai region

Cumulative Third Quarter Results

(¥ million)

3Q 2007 Results

3Q 2008 Results

Year-on-year change

1. Strengthen Sales of Database Products

Net Sales

489

682

+39.5%

Figures in parentheses indicate %
of total net sales

(8.9%)

(11.5%)

(+2.6 percentage points)

Motivation Management Business

184

224

+22.0%

EMS

Entry Management Business

44

99

+126.5%

BRIDGE

Brand Management Business

199

300

+50.8%

LSMI

2. Strengthen Brand Management Business

Net Sales

699

954

+36.6%

Figures in parentheses indicate
gross profit

(402)

(571)

(+42.3%)

3. Aggressively Expand Business Sites

Tokai Net Sales

135

250

+84.0%

3

Secondary Offering - Results Report



Number of Shares Offered:	11,000 Stocks
Offering Party:	Yoshihisa Ozasa
Offering Price:	51,205 yen
Subscription Period:	Oct. 15 (Wed.) - Oct. 16 (Thur.)
Transfer Date:	Oct. 22 (Fri.)

Secondary Offering Report ② Results

1. Liquidity (formal requirement: 35% or more)

Before offering: Approx. 29% ⇒ After offering: **35.4%**

2. No. of shareholders (formal requirement: more than 2,200)

Before offering: Approx. 1,800 ⇒ After offering: **Approx. 2,900**



Met formal requirements for listing shares
on the First Section of the Tokyo Stock Exchange

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Questions and Answers



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