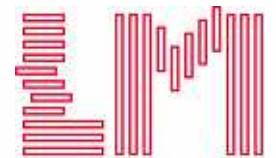


Link and Motivation Inc.

Consolidated Financial Information for the Fiscal Year Ended December 31, 2009



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Presentation Agenda

1. Announcement of Results for 2009
2. Plan for 2010
3. Q&A

1

Announcement of Results for 2009



Statements of Operations (Comparison with Plan)

Consolidated (¥ million)	2009 Plan	2009 Results	Results vs. Plan
Net Sales	7,700	7,167	-6.9%
Operating Income	700	82	-88.2%
Ordinary Income	700	93	-86.7%
Net Income	190	-503	-

- Sales were weaker than expected, ending slightly below plan
- Operating income was substantially below the plan, leading to reductions in SG&A expenses to **maintain profitability**
- Extraordinary losses from office relocation and impairment of goodwill resulted in a net loss for the year

Statements of Operations (Year-on-year Comparison)

Consolidated (¥ million)	2008 Results	2009 Results	YoY Change
Net Sales	8,275	7,167	-13.3%
Cost of Sales	3,109	3,530	+13.5%
Cost of Sales Ratio	37.6%	49.3%	
Gross Profit	5,166	3,637	-29.6%

- With the impact of the operating environment, sales decreased substantially from the previous year.
- Efforts to cut costs lagged behind the decrease in sales, resulting in a higher cost of sales ratio.

Net Sales/Gross Profit by Business (Year-on-year Comparison)

Consolidated (¥ million) [Gross profit in brackets]	2008 Results	2009 Results	YoY Change
Motivation Management Business (MM)	3,790 [2,758]	2,622 [1,573]	-30.8% [-43.0%]
Entry Management Business (EM)	3,117 [1,917]	2,629 [1,377]	-15.6% [-28.2%]
Investor Relations Business (IR)	587 [295]	815 [337]	+38.8% [+14.4%]
Place Management Business (PM)	745 [183]	805 [241]	+8.1% [+31.5%]

- Significant decrease in net sales/gross profit in core MM and EM businesses
- Steady growth in IR and PM businesses

SG&A Expenses

<u>Consolidated (¥ million)</u>	2008 Results	2009 Results	YoY Change
SG&A Expenses	3,752	3,554	-197

Main Initiatives

Reduction in office-related expenses: Approx. ¥109 million

- Decrease in rent from moving out of Shiodome Office: Approx. ¥73 million
- Rent negotiations for Head Office/Osaka Branch: Approx. ¥36 million

Reduction in hiring/training expenses: Approx. ¥81 million

- Reduction in hiring expenses from Group company hiring: Approx. ¥ 43 million
- Termination of mid-career hiring: Approx. ¥38 million

Reduction in outsourcing expenses: Approx. ¥123 million

- Decrease in employment agency/part-timer expenses through increased working efficiency: Approx. ¥64 million
- Decrease in system maintenance expenses: Approx. ¥59 million

Reduction in running costs: Approx. ¥72 million

- Limitation on use of employee welfare benefits: Approx. ¥33 million
- Cutbacks in costs for printing, transportation, shipping, etc.: Approx. ¥39 million

Non-Operating and Extraordinary Items

Non-Operating Items

- Non-operating income ¥18 million
- Non-operating expenses ¥7 million

Extraordinary Items

- Extraordinary income ¥3 million
- Extraordinary loss ¥823 million

Breakdown of Main Items in Extraordinary Loss

Office transfer expenses: Approx. ¥277 million

- Loss on moving out of Shiodome Office: Approx. ¥202 million
- Loss on moving out of DaVinci Ginza Office: Approx. ¥75 million

Business structure improvement expenses: Approx. ¥153 million

- Loss on moving out of Link Port Harumi training center: Approx. ¥94 million
- Impairment of goodwill on transfer of Nihon Investors Service Inc.: Approx. ¥59 million

Impairment loss on business profitability outlook: Approx ¥324 million

- Impairment of goodwill for branding support business: ¥252 million
- Impairment of goodwill for student recruiting service: Approx. ¥72 million

Balance Sheets (Assets)

<u>Consolidated (¥ million)</u>	2008 Results	2009 Results	YoY Change
Current Assets	3,263	2,812	-451
Property and Equipment	308	147	-161
Intangible Assets	754	861	+107
Investments and Other Assets	635	815	+180
Total Assets	4,963	4,637	-326

Total assets **decreased approx. ¥326 million** from previous year end

Main factors in year-on-year changes

Current Assets: Decreases in cash and deposits, notes and accounts receivable

Property and Equipment: Decrease due to moving out of offices

Intangible Assets: Increase in goodwill due to acquisitions of related companies

Investments and Other Assets: Increase in deferred tax assets

Balance Sheets (Liabilities and Net Assets)

Consolidated (¥ million)	2008 Results	2009 Results	YoY Change
Current Liabilities	1,169	1,729	+560
Long-term Liabilities	5	15	+10
Net Assets	3,787	2,892	-895
Total Liabilities and Net Assets	4,963	4,637	-326

Net worth ratio decreased from approx. 76.3% 62.4% from previous year end

Main factors in year-on-year changes

Current Liabilities: Increase in short-term borrowings to fund M&As

Net Assets: Net loss resulting from downturn in results, payment of dividends

Cash Flow

Consolidated (¥ million)	2008 Results	2009 Results
C/F from Operating Activities	765	258
C/F from Investing Activities	-554	-362
C/F from Financing Activities	-567	-65
Total Cash Flow	-356	-169

Approx. **¥169 million decrease** in cash and cash equivalents from previous year end

Main factors (Unit: ¥ millions)

Operating: Loss in core business (-726), Income taxes paid (-601), non-cash expenses (+1,023),
Decrease in receivables (+548)

Investing: Acquisition of subsidiary stock (-746), Recovery of loans (+200), Recovery of security deposits (+202)

Financing: Increase in short-term debt (+838), Repayment of long-term debt (-474), Payment of dividends (-386)

Fourth-Quarter Dividend

2009 Dividend Policy

- Dividends are **paid quarterly**
- **Fixed dividend** of **¥500** each quarter, **¥2,000** annually

Fourth-Quarter Dividend

- Payment on March 23 of **¥500** dividend, as planned

	1Q (Actual)	2Q (Actual)	3Q (Actual)	4Q (Planned)
Cash dividends per share	¥500	¥500	¥500	¥500

2 Plan for 2010



Results Forecast: Consolidated

<u>Consolidated (¥ million)</u>	2009 Results	2010 Plan	YoY Change
Net Sales	7,167	5,500	-23.2%
Operating Income	82	520	+534.1%
Ordinary Income	93	520	+459.1%
Net Income	-503	450	-

- In light of business conditions, net sales are forecast to be lower than the previous year
- Thoroughly reduce fixed costs and outsourcing expenses toward a targeted operating margin of 9.4%

Results Forecast: Net Sales by Business

Consolidated (¥ million)	2009 Results	2010 Plan	YoY Change
Motivation Management Business (MM)	2,622	1,940	-26.0%
Entry Management Business (EM)	2,629	1,850	-29.6%
Investor Relations Business (IR)	815	660	-19.0%
Place Management Business (PM)	805	700	-13.0%

- With cutbacks expected in personnel/advertising-related investment, sales of the MM and EM businesses are forecast to decrease year-on-year
- In light of the continuing economic downturn, sales of the IR and PM businesses are also forecast to decrease year-on-year

Core Strategies

1. Strengthen services based on management issues

Strengthen synergies among points/areas of customer contact
for substantive problem-solving

2. Shift to a highly flexible operating structure

Create a streamlined management structure for
flexible response to environmental changes

Core Strategies (1): Strengthen Services Based on Management Issues

(1) Develop solutions that take management issues into account

Conduct sales with deeply ingrained, clear targets and provide substantive solutions linked to management issues

(2) Effectively use existing customer base

Strengthen linkage among areas to make efficient and effective use of limited customer resources

Core Strategies (2): Shift to a Highly Flexible Operating Structure

(1) Effectively use internal resources

Revise a structure premised on an expansion policy and make maximum use of internal resources to contain flow of costs outside the company

(2) Reduce fixed expenses

Raise flexibility by curtailing generation of fixed expenses through reducing office-related expenses and making personnel expenses variable

Dissolution of Business Alliance with Recruit Co., Ltd.

We will dissolve the business alliance with Recruit Co., Ltd. in the area of new graduate recruiting that has existed since the establishment of LMI.

The following 3 results are expected from the dissolution

- (1) **Continuing transactions** with existing customers through direct sales
- (2) **Development of company products** without limitation to the field of new graduates
- (3) **An increase in unit prices for products** when providing services in the future

Date of dissolution of alliance: March 31, 2010

2010 Dividend Policy

- Dividends are **paid quarterly**
- **Fixed dividend** of **¥500** each quarter,
¥2,000 annually

Note: Basically unchanged from 2009 dividend policy.

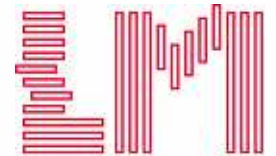
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Q & A



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