

Link and Motivation Inc. Consolidated Financial Information for the Nine Months Ended September 30, 2011



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Presentation Agenda

1. Financial Results for the Nine Months Ended September 30, 2011
2. Topics

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Financial Results for the Nine Months Ended September 30, 2011

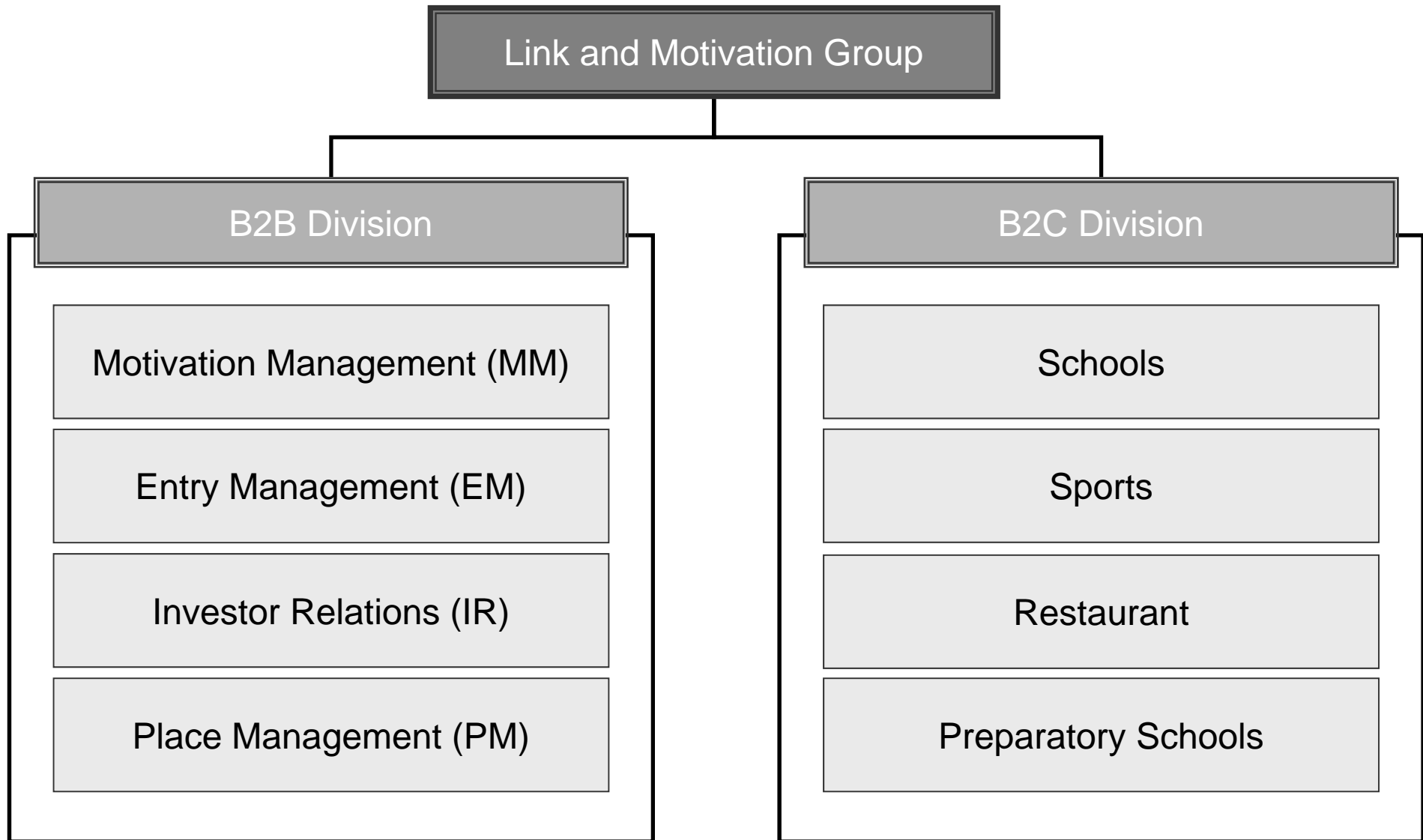


Statements of Operations Vs. Same Period of Previous Year

Consolidated (¥ million)	2010	2011	YoY Change
Net Sales	5,023	6,890	+37.2%
Gross Profit	2,665	3,311	+24.2%
Operating Income	491	397	-19.2%
Ordinary Income	503	399	-20.6%
Net Income	250	257	+2.7%

- Net sales and gross profit increased strongly year on year due to the inclusion of AVIVA Co., Ltd. in the Group
- Operating income and ordinary income decreased year on year due to an increase in SG&A expenses associated with new businesses and M&A
- Net income rose slightly year on year due to tax benefits from balancing corporate profits

Link and Motivation Group Operating Structure



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

Consolidated (¥ million) [Gross profit in brackets]	2010	2011	YoY Change
B2B Division	4,588 [2,557]	4,450 [2,450]	-3.0% [-4.2%]
B2C Division	475 [114]	2,532 [892]	+432.6% [+679.1%]

- The B2B Division saw a small decrease in performance year on year due to the effects of the Great East Japan Earthquake
- The B2C Division's results increased substantially due to the inclusion of AVIVA Co. Ltd.

B2B Division: Net Sales & Gross Profit Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]	2010	2011	YoY Change
Motivation Management (MM)	1,894 [1,132]	1,878 [1,052]	-0.8% [-7.0%]
Entry Management (EM)	1,595 [980]	1,558 [983]	-2.3% [+0.3%]
Investor Relations (IR)	580 [287]	550 [285]	-5.2% [-0.9%]
Place Management (PM)	515 [159]	463 [128]	-10.2% [-19.5%]

- EM & IR kept gross profit on par with the previous year with improved profit margins
- MM results decreased year on year due to cancellation or postponement of highly profitable training events
- PM results decreased year on year due to the impact of cutbacks in office investment

B2C Division: Net Sales & Gross Profit Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]	2010	2011	YoY Change
Schools	0	2,142	-
	[0]	[825]	-
Sports	411	313	-23.7%
	[109]	[55]	[-49.2%]
Other*	64	76	+19.0%
	[4]	[10]	[+133.8%]

*“Other” consists of the restaurant and preparatory school businesses.

- Schools contributed strongly to consolidated performance with the inclusion of AVIVA Co., Ltd.
- Sports results decreased year on year as the earthquake reduced the number of games in last year’s season

SG&A Expenses

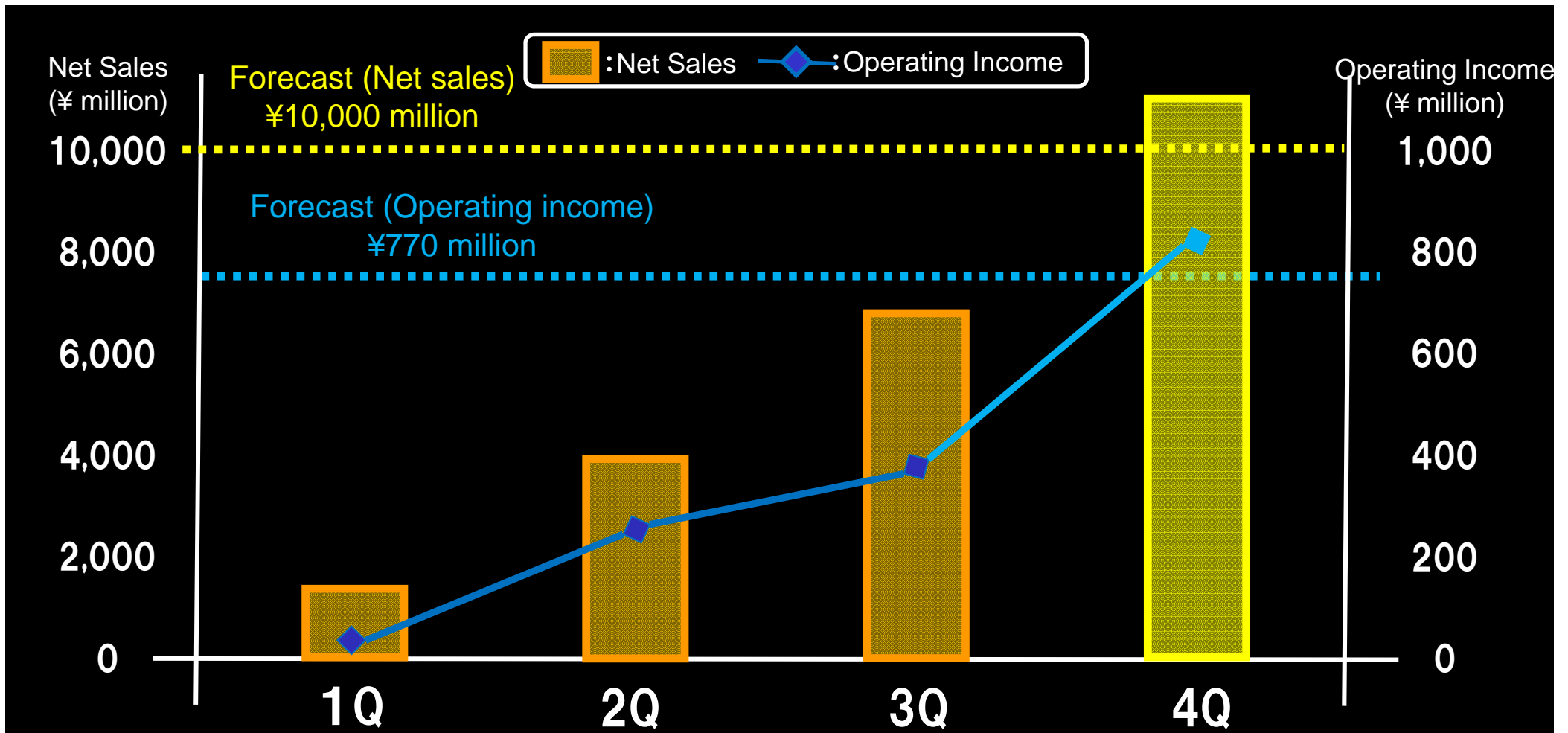
Consolidated (¥ million)	2010	2011	YoY Change
SG&A Expenses	2,174	2,914	+740

○ Factors in Change

- AVIVA Co., Ltd. SG&A expenses + approx. ¥580 million
- Motivation Academia Inc. SG&A expenses + approx. ¥86 million
- Recruiting expenses + approx. ¥45 million

- M&A and expansion of new businesses increased expenses
- Hiring of staff for future business expansion added to expenses

2011 Full-Year Results Forecast



• Based on the current level of orders, we expect net sales and operating income to surpass the previously disclosed results forecast for the year

Balance Sheets

Consolidated (¥ million)	December 31, 2010	September 30, 2011	Change
Current Assets	3,210	4,271	+1,061
Fixed Assets	1,349	3,803	+2,453
Total Assets	4,560	8,075	+3,514

Consolidated (¥ million)	December 31, 2010	September 30, 2011	Change
Current Liabilities	1,315	4,157	+2,841
Long-Term Liabilities	15	765	+750
Net Assets	3,228	3,151	-76
Total Liabilities and Net Assets	4,560	8,075	+3,514

- Assets and liabilities increased substantially due to acquisition of shares of AVIVA Co., Ltd. with borrowed cash

Cash Flow

Consolidated (¥ million)	Change	Cash and Cash Equivalents
As of January 1, 2011		1,671
Cash flow from operating activities	+546	
Cash flow from investing activities	-23	
Cash flow from financing activities	+315	
Total cash flow	+839	
As of September 30, 2011		2,510

Cash and cash equivalents increased from ¥1,671 million to ¥2,510 million

Factors in Change:

Cash flow from operating activities

- Increase from income before income taxes of ¥418 million

Cash flow from financing activities

- Increase due to an ¥862 million increase in debt to fund M&A
- Decrease due to payments of ¥456 million for share repurchases

Third Quarter Dividend for 2011

○ Dividend Policy for 2011

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

○ Third Quarter Dividend

- Payment on **December 22** of **¥500** dividend, as planned

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

2 Topics



1. Addition of a New Billing Model

2. Concentration of Service Functions

3. MBO of Link Place Inc.

1. Addition of a New Billing Model

A joint venture among the three companies of Zoshinkai Publishers Inc., Eikoh Inc. and Link and Motivation Inc., Raise-i Inc. has initiated personnel recruitment support services.

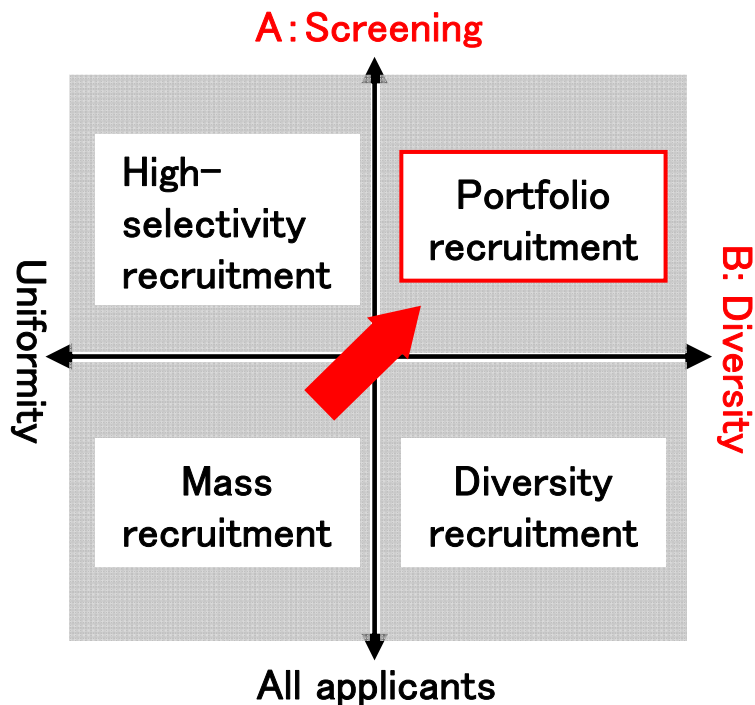
Recruitment Market Changes

A: Shift from all applicants to screening

Shrinking recruitment budgets are prompting companies to switch from a model based on large-scale recruitment events to a smaller-scale targeted model.

B: Shift from uniformity to diversity

As the contraction of the domestic market becomes clear, companies are stepping up hiring in newly industrialized countries to expand in those markets.



Personnel recruitment support services

Raise-i dispatches the students it has nurtured to customer recruiting events to provide the quality human resources customers seek.

2. Concentration of Service Functions

On July 1, Link Investor Relations Inc. changed its company name to Link Corporate Communications Inc.

■ **Background:**

Enhancement of specialization in creative production

■ **Action:**

Concentrated creative production functions of Link and Motivation Inc. at Link Corporate Communications

Link and Motivation Inc.

Creative production functions

Link Corporate Communications Inc.

On July 1, Link Tourist Inc. changed its company name to Link Event Produce Inc.

■ **Background:**

Expansion of business from arrangements for venues, etc. to event planning and management

■ **Action:**

Concentrated event management functions of Link and Motivation Inc. at Link Event Produce Inc.

Link and Motivation Inc.

Event management functions

Link Event Produce Inc.

3. MBO of Link Place Inc.

We plan to transfer all shares of Link Place Inc. (LPI) to a management buyout (MBO) group led by LPI executives.

Plans

- ❑ Board of Directors resolution on share transfer Early December 2011 (scheduled)
- ❑ Share transfer date January 1, 2012 (scheduled)

Company Data

- ❑ Name Link Place Inc.
- ❑ Business Creation and management support of various spaces used in motivation engineering
- ❑ Net sales ¥764 million (December 2010)
- ❑ Op. Income ¥24 million (December 2010)
- ❑ Capital ¥80 million (December 2010)
- ❑ Established December 24, 2004
- ❑ President Hiroya Sato
- ❑ Employees Approximately 20

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