

# Link and Motivation Inc.

## Consolidated Financial Information for the Nine Months Ended September 30, 2012



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Link and Motivation Group



# Presentation Agenda

1. Announcement of Results for the Nine Months Ended September 30, 2012

## 2. Topics

- ① M&A Announcement  
Acquisition of stock of FREEPORT INC.
- ② Motivation Manager Qualification

## 3. Information

- Membership Organization “Links”

1

Announcement of  
Results for the  
Nine Months Ended  
September 30, 2012

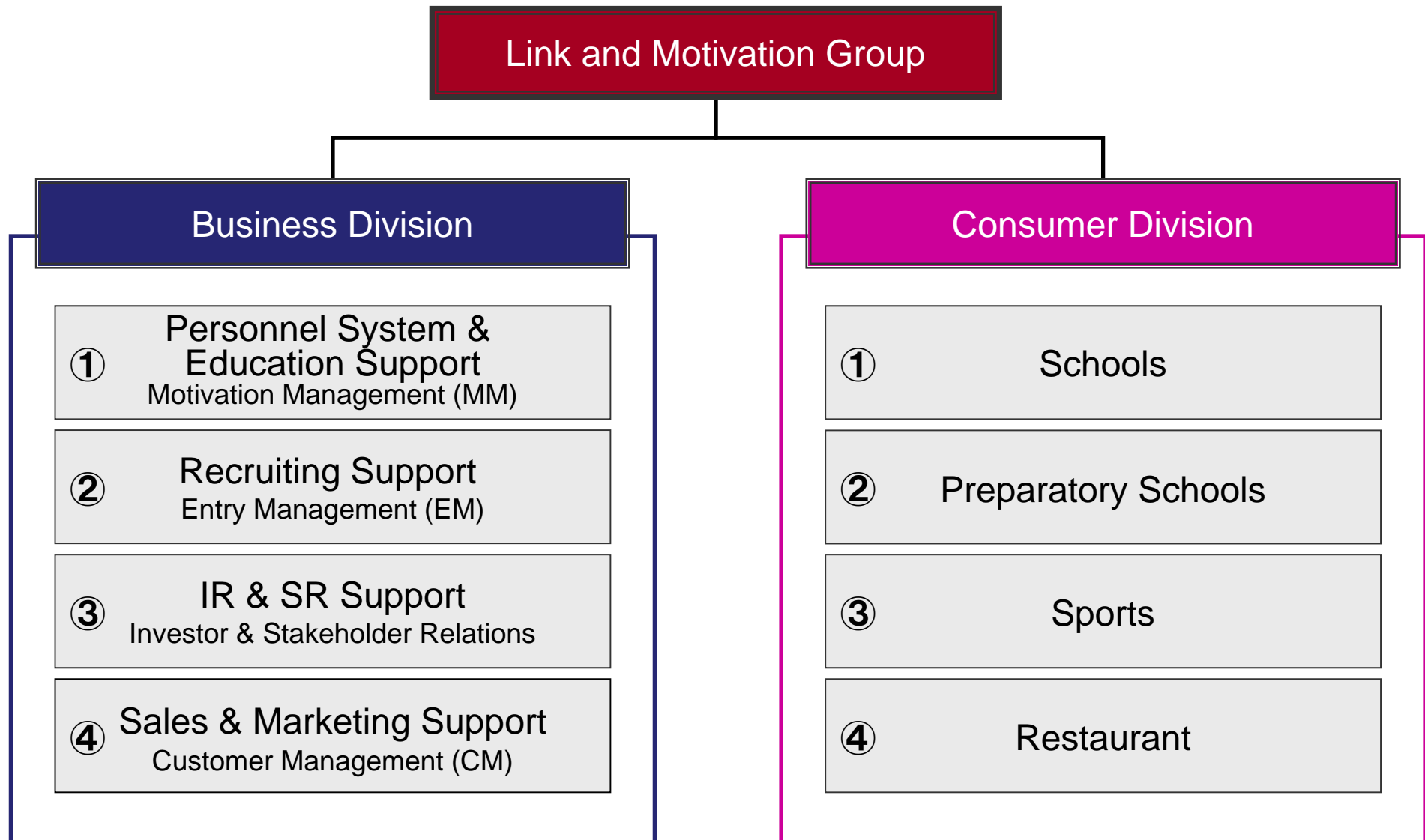


# Statements of Operations Vs. Same Period of Previous Year

Consolidated (¥ million)	2011 Results	2012 Results	YoY Change
Net Sales	6,890	13,656	+98.2%
Operating Income	397	584	+47.2%
Ordinary Income	399	569	+42.5%
Net Income	257	275	+7.2%

- Net sales increased substantially year on year because of expansion into new business areas.
- Operating income and ordinary income were firm, increasing substantially compared with the same period of the previous year.
- The net income increase was limited to 7.2% due to a change in the profit balance of Group companies.

# 2012 Link and Motivation Group Operating Structure



# Sales & Gross Profit by Division Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]		2011 Results	2012 Results	YoY Change
Business Division	Sales	4,450	8,938	+100.9%
	Gross Profit	[2,450]	[3,556]	[+45.2%]
Consumer Division	Sales	2,532	5,020	+98.2%
	Gross Profit	[892]	[1,727]	[+93.6%]

- In the Business Division, in addition to solid growth in existing businesses, the integration of Sales Marketing Co., Ltd. in February 2012 generated a substantial increase.
- Results for the Consumer Division increased substantially because of the integration of AVIVA Co., Ltd. in June 2011.

## Business Division: Sales & Gross Profit Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]	2011 Results	2012 Results	YoY Change	Product Trends
① Personnel System & Education Support (MM)	1,878 [1,052]	2,390 [1,471]	+27.2% [+39.8%]	
② Recruiting Support (EM)	1,558 [983]	1,739 [953]	+11.7% [-3.1%]	
③ IR & SR Support (IR)	550 [285]	516 [261]	-6.1% [-8.4%]	
④ Sales & Marketing Support (CM)	0 [0]	4,292 [869]	- -	

- ① Personnel System & Education Support: Substantial year-on-year growth from strong sales of training and consulting services
- ② Recruiting Support: Substantial year-on-year growth in sales from promotion of repeatable products
- ③ IR & SR Support: Slight decrease due to redeployment of human resources to other fields
- ④ Sales & Marketing Support: Increase due to integration of Sales Marketing Co., Ltd. (Feb. 2012)

## Consumer Division: Sales & Gross Profit Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]	2011 Results	2012 Results	YoY Change	Product Trends
① Schools	2,142 [825]	4,588 [1,649]	+114.2% [+99.8%]	
③ Sports	313 [55]	300 [49]	-4.3% [-10.8%]	
②・④ Other	76 [10]	132 [27]	+73.2% [+165.5%]	

- ① Schools business: Increase due to integration of AVIVA Co., Ltd. (June 2011)  
Major contribution to consolidated earnings from increase in new students, growth in sales of courses for qualifications
- ③ Sports business: Year-on-year decrease from the same quarter of the previous year due to decrease in sponsorship contracts
- ② Preparatory Schools business: Solid increase in new students



# Balance Sheets

Consolidated (¥ million)	Dec. 31, 2011	Sept. 30, 2012	Change
Current Assets	4,780	5,996	+1,216
Property and Equipment	3,699	4,887	+1,188
<b>Total Assets</b>	<b>8,479</b>	<b>10,884</b>	<b>+2,405</b>

Consolidated (¥ million)	Dec. 31, 2011	Sept. 30, 2012	Change
Current Liabilities	3,819	5,428	+1,609
Long-term Liabilities	1,488	2,569	+1,081
Net Assets	3,172	2,886	▲285
<b>Total Liabilities and Net Assets</b>	<b>8,479</b>	<b>10,884</b>	<b>+2,405</b>

- Assets and liabilities increased substantially due to the integration of Sales Marketing Co., Ltd. (Feb. 2012).
- Net assets decreased due to share repurchases and payment of dividends to shareholders.

# Full-Year Forecast (Consolidated) (Announced Feb. 2012)

<u>Consolidated (¥ million)</u>	2012 Plan
Net Sales	18,600
Operating Income	1,260
Ordinary Income	1,210
Net Income	700

No change from initial forecast in light of third-quarter results, orders, etc.

# 2012 3Q Dividends

## ○ Dividend Policy for 2012

- Dividends are **paid quarterly**
- **Fixed dividend** of **300 yen** for each quarter, **1,200 yen** annually

Note: Dividend increase and free stock distribution with record date of June 30, 2012

## ○ 2012 3Q Dividend

- As initially planned, a **300 yen** per-share dividend, with planned payment date of **December 25, 2012**.

	1Q Actual	2Q Actual	3Q Planned	4Q Planned
Per-share dividend	500 yen	600 yen	300 yen (reflects free stock distribution)	300 yen (reflects free stock distribution)

# 2 Topics



# ① M&A Announcement: FREEPORT INC.

## Conclusion of Stock Transfer Agreement Making FREEPORT INC. a Subsidiary (Stock Acquisition on October 1, 2012)

### Company Overview



Name: FREEPORT INC.

Representative: Yoshitaka Kikuchi

Established: July 1996

Sales: ¥206 million

(year ended Feb. 2012) Businesses:  
Personnel recruitment PR  
and planning/preparation  
of PR tools

Employees: 7

Head office: Nihonbashi, Chuo-ku,  
Tokyo

### Features

#### ● Total support for recruitment tools

*Meets a wide range of needs for creation of  
pamphlets,  
websites and  
videos*



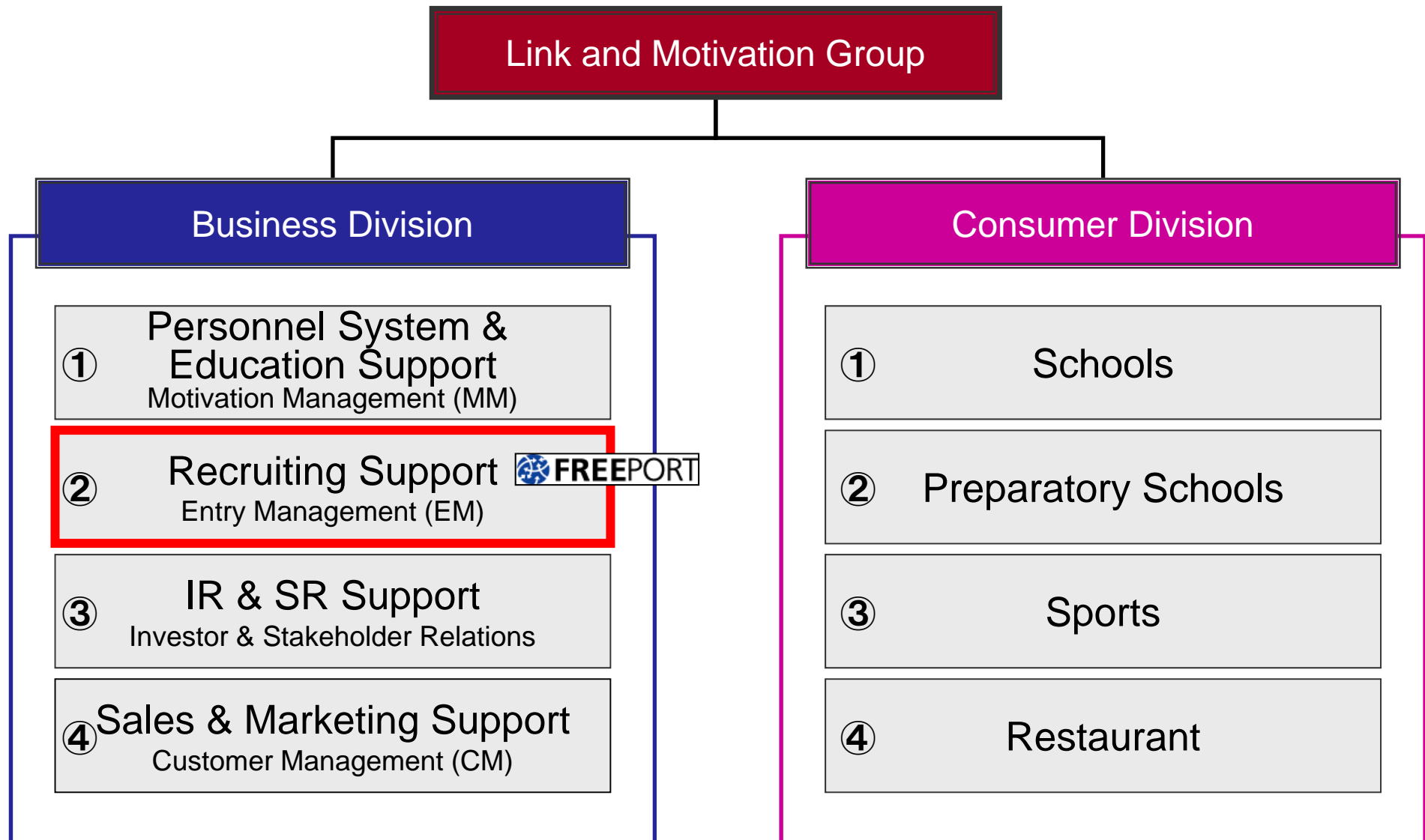
#### ● Broad customer base

- Public organizations including the Ministry of Defense and the Japan Maritime Self-Defense Force
- Universities including Tokyo University and Gakushuin University
- Major corporations including NYK and Asahi Kasei

### Benefits for the Link and Motivation Group

- Strengthens our creative organization in the Recruiting Support field
- Contact point for new customer acquisition

# ① M&A Announcement: Positioning of FREEPORT INC.



## ② Motivation Manager Qualification

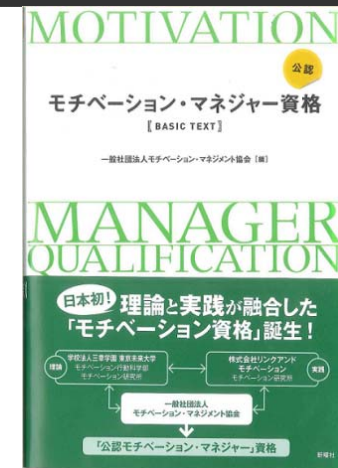
A text for qualification issued by the  
Motivation Management Association (published Oct. 30)

### Motivation Management Association

An accreditation organization for motivation managers  
established through joint investment with Sanko Gakuen

### Motivation Manager Qualification Levels

	Basic	Advanced	Professional
Target	■ Businesspersons ■ College students seeking employment	■ Organizational managers	■ Executive managers ■ Consultants
Content	Acquisition of theory and knowledge related to overall motivation, centered on self-motivation	Acquisition of theory, knowledge and practical techniques centered on motivation management of others	Acquisition of theory, knowledge and practical techniques centered on motivation management of organizations



First official Basic certification test for motivation managers  
scheduled for March 2013

# 3 Information





# Membership Organization “Links”

**Links** is a membership organization that connects the Link and Motivation Group (LMG) and its stakeholders (membership free of charge).

Established in 2010    Current membership: approx. 5,000

## Membership Website

Explains LMG’s approach.

Provides insight into LMG businesses through customer feedback and simulations of services.



## Events

A full line-up of enjoyable activities such as a support tour for Link Tochigi BREX



For details, see  
<http://www.links-lm.com>

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