

Consolidated Financial Statements for the Three Months Ended March 31, 2013

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

May 10, 2013

Link and Motivation Inc.
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Stock exchange listing: Tokyo, First Section
Code number: 2170

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Filing of Quarterly Report (*Shihanki Hokokusho*) (scheduled): May 10, 2013

Start of distribution of dividends (scheduled): June 25, 2013

Supplementary documents for quarterly results: No

Quarterly results briefing: No

(Amounts are rounded down to the nearest million.)

1. Consolidated Results for the Three Months Ended March 31, 2013

(January 1, 2013 - March 31, 2013)

(1) Sales and Income (Percentages represent change compared with the same quarter of the previous year.)

	Net sales (¥ million)	Change (%)	Operating income (¥ million)	Change (%)	Ordinary income (¥ million)	Change (%)
Three months ended March 31, 2013	5,565	28.0	229	44.4	223	43.0
Three months ended March 31, 2012	4,349	166.8	158	374.8	156	350.8

	Net income (¥ million)	Change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Three months ended March 31, 2013	80	12.9	166.33	—
Three months ended March 31, 2012	71	—	143.12	—

Notes: 1. The Company implemented a stock split of 2 shares for each 1 share of common stock on July 1, 2012. Accordingly, earnings per share have been calculated as though the stock split had occurred at the beginning of the previous fiscal year.

2. The Board of Directors of the Company resolved at a meeting held on April 9, 2013 to implement a stock split of 2 shares for each 1 share of common stock with an effective date of May 1, 2013. Accordingly, earnings per share have been calculated as though the stock split had occurred at the beginning of the previous fiscal year.

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)
As of March 31, 2013	11,686	3,263	27.9
As of December 31, 2012	10,303	3,248	31.5

(Reference) Net worth As of March 31, 2013: ¥3,263 million As of December 31, 2012: ¥3,248 million

2. Dividends

	Dividends per share				
	1st Qtr.	Interim	3rd Qtr.	Year-end	Full-year
2012	500.00	600.00	300.00	300.00	1,700.00
2013	300.00				
2013 (est.)		150.00	150.00	150.00	750.00

Notes: 1. Revision of dividend forecast during the quarter: No

2. The Board of Directors of the Company resolved at a meeting held on April 9, 2013 to implement a stock split of 2 shares for each 1 share of common stock with an effective date of May 1, 2013. Accordingly, the dividend forecast for the year ending December 31, 2013 takes the effect of this stock split into account.

3. Forecast of Results for 2013 (January 1, 2013 - December 31, 2013)

(Percentages represent change compared with the previous interim period or fiscal year, as applicable.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Interim period	—	—	—	—	—	—	—	—	—
Full-year	23,300	24.6	1,470	27.9	1,430	26.1	770	8.7	1,589.59

Notes: 1. Revision of forecast of results during the quarter: No

2. The Board of Directors of the Company resolved at a meeting held on April 9, 2013 to implement a stock split of 2 shares for each 1 share of common stock with an effective date of May 1, 2013. Accordingly, the forecast for earnings per share for the year ending December 31, 2013 takes the effect of this stock split into account, with calculation assuming the stock split occurred at the beginning of the year.

Notes

- (1) Changes in Significant Subsidiaries during the Period (Changes in Specified Subsidiaries due to Changes in the Scope of Consolidation): Yes
Added: 1 company (Name: Daiei Education System Co., Ltd.)
Removed: —
- (2) Application of Accounting Procedures Specific to the Preparation of Quarterly Consolidated Financial Statements: Yes
- (3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements
 - (a) Changes in accounting policies: Yes
 - (b) Changes in accounting policies other than (a) above: No
 - (c) Changes in accounting estimates: No
 - (d) Restatements: No

Note: See “2. Items Regarding Summary Information (Notes)” on page 5 for details.
- (4) Number of Shares Issued and Outstanding (Common Stock)
 - (a) Number of shares at the end of the period (including treasury stock)
Three months ended March 31, 2013: 539,840; Year ended December 31, 2012: 539,840
 - (b) Number of treasury shares at the end of the period:
Three months ended March 31, 2013: 55,440; Year ended December 31, 2012: 55,440
 - (c) Average number of shares outstanding (cumulative with earlier quarters):
Three months ended March 31, 2013: 484,400; Three months ended March 31, 2012: 498,751

Notes:

1. The Company implemented a stock split of 2 shares for each 1 share of common stock on July 1, 2012. Accordingly, share data have been calculated as though the stock split had occurred at the beginning of the previous fiscal year.
2. The Board of Directors of the Company resolved at a meeting held on April 9, 2013 to implement a stock split of 2 shares for each 1 share of common stock with an effective date of May 1, 2013. Accordingly, share data for 1Q 2012, 2012 and 1Q 2013 takes the effect of this stock split into account.

* Presentation of Implementation Status of Quarterly Review Procedures

- These “Consolidated Financial Statements for the Three Months Ended March 31, 2013” are not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act and, as of the date of publication of these statements, the review procedures for quarterly financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

* Explanation of the Proper Use of Performance Forecasts and Other Special Instructions

Explanation of the proper use of performance forecasts

- Consolidated forecasts and other statements regarding the future contained in this document are based on information currently available to the Company and certain reasonable assumptions. Actual performance may differ substantially due to numerous factors.

Other special instructions

- The Board of Directors of the Company resolved at a meeting held on April 9, 2013 to implement a stock split of 2 shares for each 1 share of common stock with an effective date of May 1, 2013. The forecast for earnings per share for the year ending December 31, 2013 takes the effect of this stock split into account, with calculation assuming the stock split occurred at the beginning of the year.

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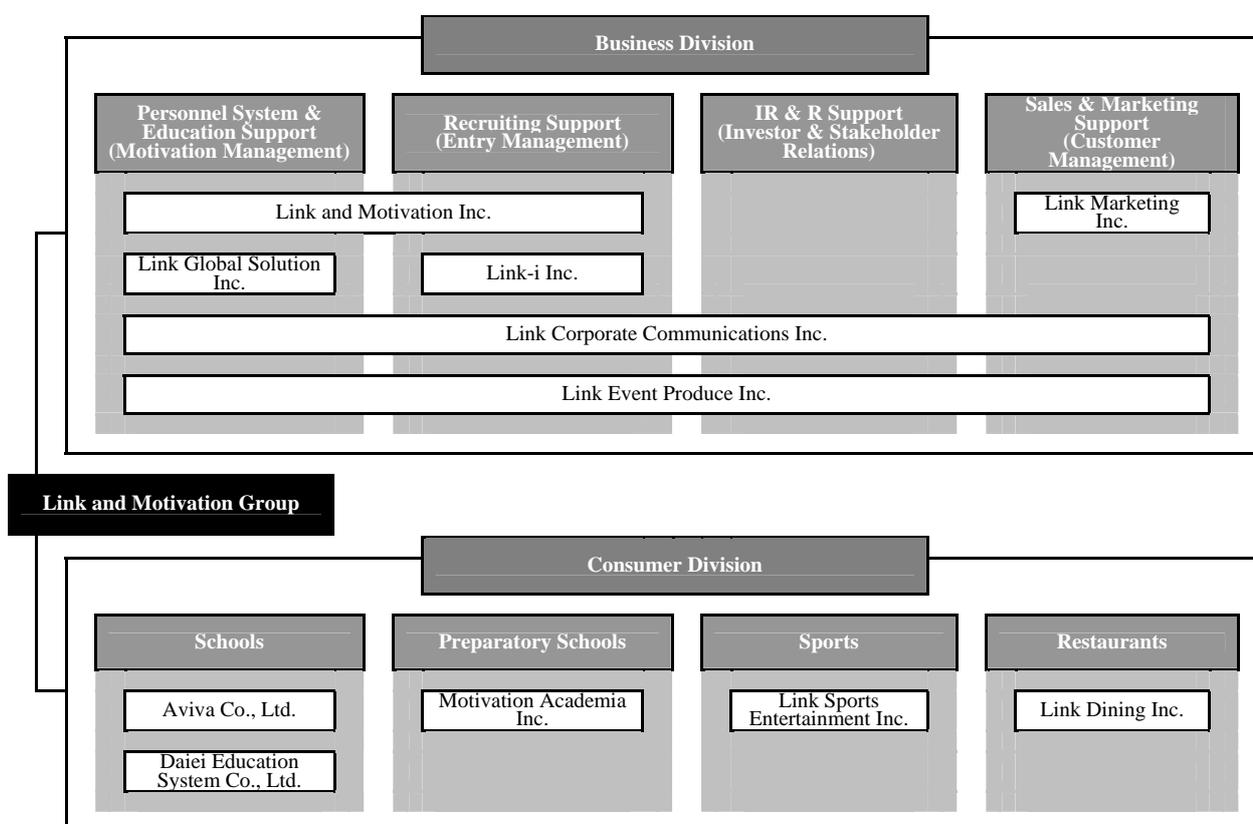
1. Qualitative Information Regarding Results for the Three Months Ended March 31, 2013

(1) Qualitative Information Regarding Results of Consolidated Operations

During the first quarter of 2013 (January 1, 2013 - March 31, 2013), some companies in Japan remained cautious about capital investment. Overall, however, Japan's economy trended toward recovery as the yen weakened and stock prices rose against the background of positive expectations for the economic policies of the Abe administration.

The Link and Motivation Group performed well in this economic environment. Consolidated net sales for the first quarter of 2013 were ¥5,565,290 thousand (a 28.0% increase compared with the same period of the previous year), gross profit was ¥2,121,438 thousand (a 25.9% increase), operating income was ¥229,346 thousand (a 44.4% increase), ordinary income was ¥223,144 thousand (a 43.0% increase), and net income was ¥80,573 thousand (a 12.9% increase).

An overview of results by segment for the first quarter of 2013 is provided below. The segments of the Link and Motivation Group and respective service areas are as follows.



Business Division

This segment offers one-stop services that support the management and growth of companies by applying the “motivation engineering” technology essential for corporate innovation to their communication with stakeholders such as employees, job applicants, shareholders, investors and customers.

All business areas performed well, resulting in substantial gains compared with the same quarter of the previous year. Supported by steady increases in sales and gross profit, first quarter segment sales were ¥3,515,645 thousand (a 28.8% increase) and segment income was ¥1,417,023 thousand (a 22.1% increase). An overview of operating results in the first quarter of 2013 by business area is as follows.

Personnel System & Education Support (Motivation Management Business)

In this business, net sales in the first quarter were ¥715,058 thousand (a 0.7% increase) and gross profit was ¥485,165 thousand (a 3.1% increase).

This business offers services for personnel training and organization and system design aimed at creating highly motivated organizations. The business also supports corporate vision verbalization and brand creation and market penetration.

In the first quarter, the Personnel System & Education Support business made progress under a strategy continuing from 2012 of promoting the development of one-stop services by emphasizing support for organizational vitalization through anniversary and other events and expanding its service lineup. The result was increased sales of the consulting projects and organizational vitalization events that form the basis for the development of one-stop services. Sales and gross profit therefore increased slightly compared with the first quarter of the previous year.

The Personnel System & Education Support business will concentrate on further enhancing its service lineup to benefit from the trend toward larger corporate training budgets as the economy recovers.

Recruiting Support (Entry Management Business)

In the Recruiting Support business, net sales in the first quarter were ¥907,347 thousand (a 12.4% increase) and gross profit was ¥590,516 thousand (a 40.5% increase).

This business offers recruitment strategy planning services aimed at realizing the best matches between companies and applicants in the recruitment stage, and assistance with the execution of those strategies.

In the first quarter, the Recruiting Support business made progress under a strategy of expanding from fundamental consulting services such as recruiting strategy formulation into the new service areas of direct student hiring and introduction, commissioned recruiting management services such as job applicant management, and creative services such as recruiting brochure production. As a result, sales of consulting services, commissioned recruiting management services and creative services increased. Moreover, sales of direct student hiring services launched in the previous year and newly initiated student introduction services increased steadily. Consequently, net sales and gross profit both increased substantially compared with the same quarter a year earlier.

The Recruiting Support business will respond flexibly to changes in the time frame for university student recruiting activities while responding to the transition from large-scale batch recruiting to portfolio recruiting for hiring a diversity of individuals to further expand sales of direct human resource hiring and introduction services tailored to company requirements.

IR & SR Support (Investor & Stakeholder Relations Business)

In the IR & SR Support business, net sales were ¥118,883 thousand (a 24.9% increase) and gross profit was ¥32,429 thousand (a 7.2% increase).

This business provides IR consulting services designed to achieve effective and efficient communication with investors, including annual report production and video distribution of business results briefings.

The investor relations market has been contracting overall with the decreasing number of listed companies. In the first quarter, however, sales of IR tools, primarily paper media such as annual reports and investor communications, increased compared with the same quarter of the previous year. In particular, sales of annual reports increased steadily year on year. As a result, sales and gross profit increased compared with the same quarter of the previous year.

The IR & SR Support business will energetically market creative IR tools, its core product, while concentrating on serving emerging trends such as web-based annual reports and IR website packages.

The IR & SR Support business will serve emerging trends in concentrating on web-based annual reports, IR website packages and other products that leverage web-based creative functions.

Sales & Marketing Support (Customer Management Business)

In the Sales & Marketing Support business, net sales were ¥1,774,356 thousand (a 58.8% increase) and gross profit was ¥308,912 thousand (a 29.0% increase).

This business is a one-stop source for corporate sales and marketing needs. Services range from consulting involving the proposal, dissemination, promotion planning and implementation support for corporate brand

strategies and proposals for corporate sales strategies to dispatch and referral services that meet human resource needs at the point of sale.

The addition of Link Marketing Inc. (formerly Sales Marketing Co., Ltd.) to the scope of consolidation from February 2012 drove substantial increases in both net sales and gross profit in the first quarter. Results in the core human resource referral services for apparel stores increased steadily.

Moreover, with the prevalence of highly functional devices such as smartphones, increasing needs for human resource referral services among big-box home appliance retailers and mobile phone shops carried over from 2012. The Link and Motivation Group will use motivation engineering technology to enhance Link Marketing's organizational capabilities and create a framework for dispatching human resources that are attractive to customers through a focus on recruiting and training staff available for long-term dispatch.

Consumer Division

In this segment, the Link and Motivation Group applies its core "motivation engineering" technology to provide services in consumer businesses including schools, preparatory schools, a sporting organization and a restaurant.

The Link and Motivation Group acquired all the shares of Daiei Education System Co., Ltd. on January 1, 2013. Segment sales and income for the first quarter therefore expanded significantly. Segment sales were ¥2,230,605 thousand (a 33.8% increase) and segment income was ¥736,793 thousand (a 34.7% increase). An overview of operating results by business area for the first quarter of 2013 is as follows.

Schools Business/Preparatory Schools Business

In the first quarter, net sales were ¥2,032,209 thousand (a 35.6% increase) and gross profit was ¥685,640 thousand (a 34.1% increase).

The Schools business offers comprehensive personal computer training courses and measures to acquire qualifications through Aviva's personal computer classes and through newly acquired Daiei Education System. The Preparatory Schools business offers courses to prepare students for school entrance exams and to teach portable skills through preparatory schools managed by Motivation Academia Inc.

In the first quarter, sales and income in the Schools business increased substantially due to the addition of Daiei Education System to the scope of consolidation. Moreover, new inquiries about and new student enrollment in Aviva's personal computer classes were firm, which contributed to increased sales. In the Preparatory Schools business, the number of students increased significantly due to factors including introductions by existing students against the background of Motivation Academia's instruction performance. Both sales and gross profit therefore increased.

The Schools business will expand its operations to provide qualification support education services in areas other than personal computer skills with the aim of building a dominant position in the personal computer school and qualification school industries. The Preparatory Schools business aims to further raise its profitability.

Sports Business/Restaurant Business

In these businesses, net sales for the first quarter were ¥198,396 thousand (a 17.8% increase) and gross profit was ¥51,152 thousand (a 42.7% increase). Sales and gross profit are recorded in the Sports business by Link Sports Entertainment Inc., which operates a professional basketball team called Link Tochigi Brex, and in the Restaurant business by Link Dining Inc., which operates an Italian restaurant called Link Dining.

In the Sports business, sponsorship income from sponsor companies, which has a high profit margin, increased substantially. As a result, net sales and gross profit both increased substantially compared with same quarter of the previous year. Net sales and gross profit decreased slightly in the Restaurant business. Going forward, both businesses aim to undertake unique development using motivation engineering.

2. Items Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries for the Three Months Ended March 31, 2013

Newly acquired company Daiei Education System Co., Ltd. was included in the scope of consolidation from the first quarter of 2013.

(2) Application of Accounting Procedures Specific to the Preparation of the Quarterly Consolidated Financial Statements

The Company calculates tax expenses by multiplying pretax net income for the quarter by a reasonable estimate of the effective tax rate after application of tax effect accounting to pretax net income. The quarterly Consolidated Statements of Operations present income taxes net of deferred income taxes.

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

In accordance with the revision of the Corporation Tax Act of Japan, the depreciation method for property and equipment acquired on or after January 1, 2013 has been changed to the method under the revised act from the first quarter of 2013.

The impact of this change on operating income, ordinary income, and income before income taxes and minority interests is immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen, rounded down to the nearest thousand)

	As of December 31, 2012	As of March 31, 2013
ASSETS		
Current assets		
Cash and deposits	2,467,457	2,230,661
Notes and accounts receivable	2,041,411	2,154,493
Products	57,477	90,324
Goods in process	118,678	182,924
Merchandise and supplies	20,019	49,369
Prepaid expenses	203,513	235,886
Deferred tax assets	93,235	97,647
Short-term loans receivable	331,893	1,743
Accrued corporate tax refund	35,799	36,410
Other	110,351	80,799
Allowance for doubtful accounts	(25,073)	(34,592)
Total current assets	5,454,765	5,125,669
Fixed assets		
Property and equipment		
Buildings and structures	675,267	792,761
Accumulated depreciation	(395,217)	(481,789)
Buildings and structures (net)	280,050	310,972
Vehicles	10,057	8,812
Accumulated depreciation	(9,959)	(8,666)
Vehicles (net)	98	146
Furniture and fixtures	492,590	553,076
Accumulated depreciation	(411,465)	(468,961)
Furniture and fixtures (net)	81,124	84,114
Lease assets	207,832	245,761
Accumulated depreciation	(70,717)	(70,976)
Lease assets (net)	137,114	174,785
Construction in progress	—	6,079
Total property and equipment	498,388	576,098
Intangible assets		
Goodwill	2,948,313	4,205,303
Software	179,813	270,111
Other	4,497	4,311
Total intangible assets	3,132,624	4,479,726
Investments and other assets		
Investments in securities	24,585	32,781
Security deposits	1,057,798	1,335,710
Deferred tax assets	69,787	62,461
Claims in bankruptcy	8,489	8,489
Other	65,446	74,389
Allowance for doubtful accounts	(8,489)	(8,489)
Total investments and other assets	1,217,617	1,505,342
Total fixed assets	4,848,629	6,561,168
Total assets	10,303,395	11,686,837

(Thousands of yen, rounded down to the nearest thousand)

	As of December 31, 2012	As of March 31, 2013
LIABILITIES		
Current liabilities		
Accounts	285,079	355,240
Short-term borrowings	292,636	365,099
Long-term debt due within one year	382,440	449,640
Accounts payable	814,107	1,220,368
Lease obligations	48,723	58,167
Expenses payable	246,012	232,790
Accrued income taxes	238,282	138,908
Accrued consumption taxes	127,969	154,237
Advances received	1,807,892	2,468,538
Accrued bonuses to employees	160,598	162,426
Accrued bonuses to officers	17,043	5,021
Provision for loss on store closure	2,551	53,951
Other	129,895	173,727
Total current liabilities	4,553,232	5,838,117
Long-term liabilities		
Long-term debt	2,037,720	2,077,810
Lease obligations	96,505	127,064
Reserve for employee retirement benefits	188,536	192,827
Deferred income taxes	6,824	7,689
Asset retirement obligations	45,057	48,168
Other	127,257	131,754
Total long-term liabilities	2,501,902	2,585,313
Total liabilities	7,055,135	8,423,431
NET ASSETS		
Shareholders' equity		
Common stock	979,750	979,750
Additional paid-in capital	734,595	734,595
Retained earnings	2,265,931	2,273,844
Treasury stock	(731,840)	(731,840)
Total shareholders' equity	3,248,436	3,256,349
Cumulative other comprehensive income		
Unrealized gain (loss) on securities	(176)	7,056
Total cumulative other comprehensive income	(176)	7,056
Minority interests	—	—
Total net assets	3,248,260	3,263,406
Total liabilities and net assets	10,303,395	11,686,837

(2) Consolidated Statements of Operations and Comprehensive Income

Consolidated Statements of Operations

(Thousands of yen, rounded down to the nearest thousand)

	Three months ended March 31, 2012	Three months ended March 31, 2013
Net sales	4,349,372	5,565,290
Cost of sales	2,664,232	3,443,851
Gross profit	1,685,139	2,121,438
Selling, general and administrative expenses	1,526,307	1,892,092
Operating income	158,832	229,346
Non-operating income		
Interest income	387	567
Dividend income	9	28
Subsidy income	1,944	—
Commission fees received	2,796	9,625
Other	1,456	3,010
Total non-operating income	6,593	13,231
Non-operating expenses		
Interest expenses	8,605	12,641
Expenses for purchase of treasury stock	688	—
Commission fees paid	—	6,709
Other	43	82
Total non-operating expenses	9,336	19,433
Ordinary income	156,089	223,144
Extraordinary income		
Gain on sale of property and equipment	—	731
Gain on sale of shares of subsidiary	13,894	—
Total extraordinary income	13,894	731
Extraordinary loss		
Loss on disposal of property and equipment	245	419
Loss on impairment	661	1,502
Provision for loss on store closure	1,687	254
Total extraordinary loss	2,593	2,176
Income before income taxes	167,390	221,700
Total income taxes	96,006	141,127
Income before minority interests	71,384	80,573
Net income	71,384	80,573

Consolidated Statements of Comprehensive Income

(Thousands of yen, rounded down to the nearest thousand)

	Three months ended March 31, 2012	Three months ended March 31, 2013
Income (loss) before minority interests	71,384	80,573
Other comprehensive income		
Unrealized gain on securities	1,251	7,232
Total other comprehensive income	1,251	7,232
Comprehensive income	72,635	87,805
(Attributable to)		
Owners of the parent	72,635	87,805

(3) Notes Regarding Assumption of Going Concern

None applicable

(4) Segment Information

Segment Information

I. First quarter of 2012 (January 1, 2012 – March 31, 2012)

1. Sales and Income by Reportable Segment

(Thousands of yen, rounded down to the nearest thousand)

	Reportable Segment			Adjustment (Note 1)	Consolidated
	Business Division	Consumer Division	Total		
Segment sales					
Sales to outside customers	2,718,689	1,630,683	4,349,372	—	4,349,372
Intersegment sales and transfers	11,697	35,997	47,695	(47,695)	—
Total	2,730,386	1,666,681	4,397,068	(47,695)	4,349,372
Segment income (Note 2)	1,160,757	547,057	1,707,815	(22,675)	1,685,139

Notes: 1. Adjustments represent elimination of intersegment transactions.

2. Segment income is gross profit.

2. Assets by Reportable Segment

Assets by reportable segment as of the end of the first quarter on March 31, 2012 changed significantly from December 31, 2011. During the first quarter, the Link and Motivation Group added Intec Japan, Inc. and Sales Marketing Co., Ltd. as consolidated subsidiaries, and included the assets of these companies in the Business Division. The addition of consolidated subsidiaries increased Business Division assets by ¥1,769,001 thousand.

3. Loss on Impairment of Fixed Assets and Goodwill by Reportable Segment

(Significant loss on impairment of fixed assets)

None applicable

(Significant changes in goodwill)

In the Business Division segment, goodwill increased due to the acquisition of Intec Japan, Inc. and Sales Marketing Co., Ltd. In the Consumer Division segment, goodwill increased due to the acquisition of the shares of Avance Co., Ltd. These events increased goodwill by ¥1,209,978 thousand.

(Significant gains on negative goodwill)

None applicable

II. First quarter of 2013 (January 1, 2013 – March 31, 2013)

1. Sales and Income by Reportable Segment

(Thousands of yen, rounded down to the nearest thousand)

	Reportable Segment			Adjustment (Note 1)	Consolidated
	Business Division	Consumer Division	Total		
Segment sales					
Sales to outside customers	3,374,340	2,190,949	5,565,290	—	5,565,290
Intersegment sales and transfers	141,305	39,655	180,961	(180,961)	—
Total	3,515,645	2,230,605	5,746,251	(180,961)	5,565,290
Segment income (Note 2)	1,147,023	736,793	2,153,817	(32,378)	2,121,438

Notes: 1. Adjustments represent elimination of intersegment transactions.

2. Segment income is gross profit.

2. Assets by Reportable Segment

Assets by reportable segment as of the end of the first quarter on March 31, 2013 changed significantly from December 31, 2012. During the first quarter, the Company recorded the assets of Daiei Education System Co., Ltd. in the Consumer Division reportable segment in connection with making that company a consolidated subsidiary. The addition of the consolidated subsidiary increased Consumer Division assets by ¥838,160 thousand.

3. Loss on Impairment of Fixed Assets and Goodwill by Reportable Segment

(Significant loss on impairment of fixed assets)

None applicable

(Significant changes in goodwill)

In the Consumer Division segment, goodwill increased due to the acquisition of the shares of Daiei Education System Co., Ltd. This event increased goodwill by ¥1,384,843 thousand in the three months ended March 31, 2013.

(Significant gains on negative goodwill)

None applicable

(5) Notes on Significant Changes in Shareholders' Equity

None applicable

(6) Major Subsequent Events

At a meeting of the Board of Directors held on April 9, 2013, the Company resolved as follows regarding a stock split and a partial amendment of the Articles of Incorporation concerning stock splits.

1. Purpose of the Stock Split

In order to create an environment that facilitates investment, the Company aims to lower the amount required to invest and to work to increase liquidity of the Company's stock and expand the class of investors by conducting a stock split.

2. Details of the Stock Split

(i) Method of Stock Split

The Company shall split shares of common stock held by shareholders listed in the shareholders register or the substantial shareholders register as of the close of business on April 30, 2013 at a ratio of 2 shares for each 1 share.

(ii) Increase in Number of Shares by Stock Split

Total issued shares before stock split:	269,920 shares
Increase in number of shares by stock split:	269,920 shares
Total issued shares after stock split:	539,840 shares

3. Schedule

Public notice of the record date:	April 15, 2013
Record date:	April 30, 2013
Effective date:	May 1, 2013

4. Details of Partial Amendment of the Articles of Incorporation

(i) Purpose of the amendments to the Articles of Incorporation

In connection with the stock split, the Company shall partially amend its Articles of Incorporation as of May 1, 2013 due to the resolution of the Board of Directors meeting held on April 9, 2013, pursuant to Article 184, paragraph 2 of the Companies Act of Japan.

(ii) Details of the amendment

(Changes indicated by underlined text)

Current Articles of Incorporation	Amended Articles of Incorporation
(Total Number of Shares Authorized to Be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>1,008,000</u> .	(Total Number of Shares Authorized to Be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>2,000,000</u> .

(iii) Schedule

Board of Directors resolution to amend the Articles of Incorporation:	April 9, 2013
Effective date of the amendment to the Articles of Incorporation:	May 1, 2013

5. Effect on Per Share Information

Earnings per share for the quarter and the basis for calculation are as follows.

	Three months ended March 31, 2012	Three months ended March 31, 2013
Earnings per share (¥)	143.12	166.33
(Basis for calculation)		
Net income (¥ thousand)	71,384	80,573
Amount not attributable to common shareholders (¥ thousand)	—	—
Net income related to common stock (¥ thousand)	71,384	80,573
Average number of outstanding shares of common stock during the period (shares)	498,750	484,400

Notes:

1. Diluted earnings per share is not presented for the three months ended March 31, 2012 and the three months ended March 31, 2013 because the Company has not issued potential shares.
2. The Company conducted a 2-for-1 stock split of its common shares on July 1, 2012. Earnings per share has been calculated assuming that the stock split had taken place at the beginning of the previous fiscal year.