

Consolidated Financial Statements for the First Half of 2015

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

September 14, 2015

Link and Motivation Inc.

http://www.lmi.ne.jp

Representative: Yoshihisa Ozasa, Chairman and Representative Director

Contact: Shunichi Ohno, Director and

Manager of Group Design Division

Filing of Quarterly Report (*Shihanki Hokokusho*) (scheduled):

Start of distribution of dividends (scheduled):

Supplementary documents for quarterly results:

Quarterly results briefing:

Stock exchange listing: Tokyo, First Section

Code number: 2170

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September 14, 2015

September 30, 2015

No

No

(Amounts are rounded down to the nearest million.)

1. Consolidated Results for the Six Months Ended June 30, 2015 (January 1, 2015 - June 30, 2015)

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

	Net sales (¥ million)	Change (%)	Operating income (¥ million)	Change (%)	Ordinary income (¥ million)	Change (%)
Six months ended June 30, 2015	15,969	21.0	504	(10.9)	480	(11.1)
Six months ended June 30, 2014	13,203	16.3	566	(11.1)	540	(13.3)

Note: Comprehensive income Six months ended June 30, 2015: ¥219 million (26.3%)

Six months ended June 30, 2014: ¥173 million (-45.0%)

	Net income (¥ million)	Change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Six months ended June 30, 2015	216	24.7	1.91	—
Six months ended June 30, 2014	173	(43.4)	1.76	—

Note: The Company implemented a stock split of 100 shares for each 1 share of common stock with an effective date of April 1, 2014.

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 June 30, 2015	18,455	6,805	36.9
As of December 31, 2014	17,896	6,834	38.2

Reference: Net worth As of June 30, 2015: ¥6,805 million

As of December 31, 2014: ¥6,834 million

2. Dividends

	Dividends per share				
	1st Qtr.	2nd Qtr.	3rd Qtr.	Year-end	Total
2014	90.00	1.10	1.10	1.10	93.30
2015	1.10	1.10			
2015 (est.)			1.10	1.10	4.40

3. Forecast of Consolidated Results for 2015 (January 1, 2015 - December 31, 2015)

(Percentages represent change compared with the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Full-year	33,000	14.3	1,930	10.2	1,860	11.7	1,060	11.5	9.37

Note: Revision of forecast of results during the quarter: No

Notes

- (1) Changes in Significant Subsidiaries during the Period (Changes in Specified Subsidiaries due to Changes in the Scope of Consolidation): No
Added: –
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: No
 - (b) Changes in accounting policies other than (a) above: No
 - (c) Changes in accounting estimates: No
 - (d) Restatements: No
- (4) Number of Shares Issued and Outstanding (Common Stock)
 - (a) Number of shares at the end of the period (including treasury stock)
Six months ended June 30, 2015: 113,068,000; Year ended December 31, 2014: 113,068,000
 - (b) Number of treasury shares at the end of the period:
Six months ended June 30, 2015: 200; Year ended December 31, 2014: 200
 - (c) Average number of shares outstanding (cumulative with earlier quarters):
Six months ended June 30, 2015: 113,067,800; Six months ended June 30, 2014: 98,572,462

* **Presentation of Implementation Status of Quarterly Review Procedures**

- These “Consolidated Financial Statements for the First Half of 2015” are not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act although, 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 been completed.

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

- 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.

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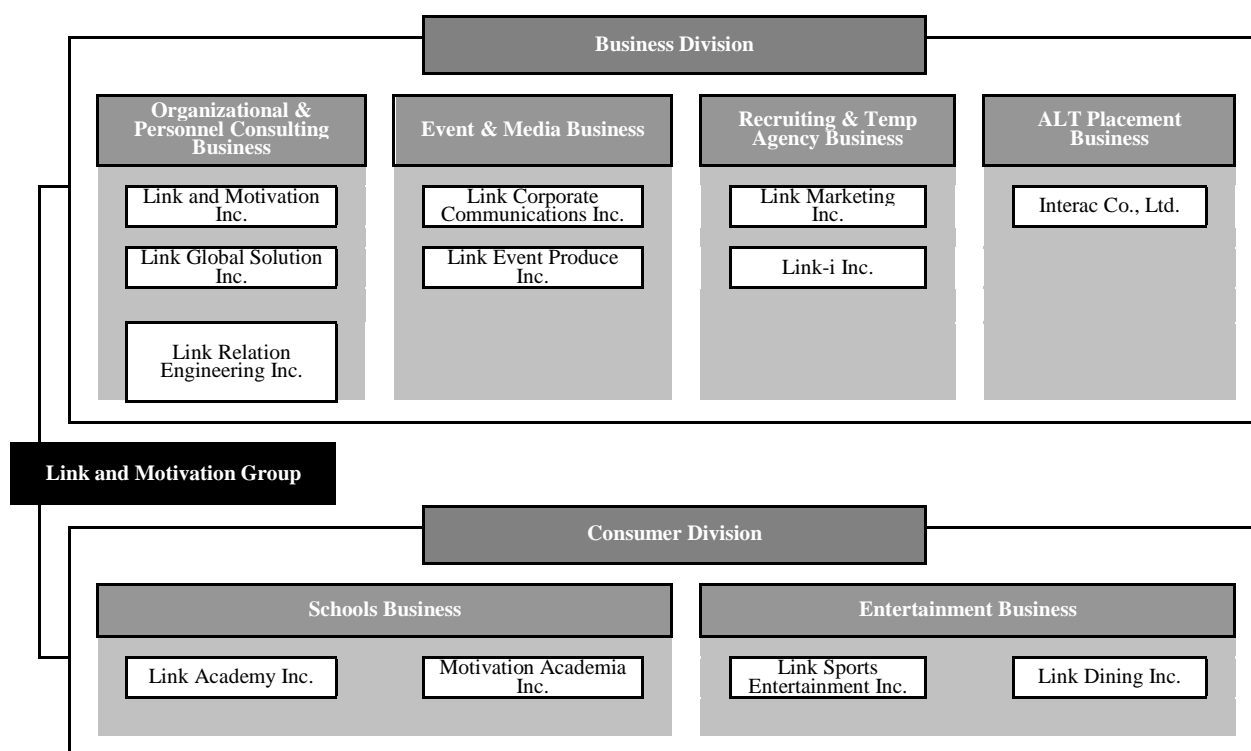
1. Qualitative Information Regarding Results for the Six Months Ended June 30, 2015

(1) Commentary on Results of Operations

In the Japanese economy during the first half of 2015 (January 1, 2015 - June 30, 2015), business conditions remained on a moderate recovery track, backed by factors including a drop in crude oil prices, recovery in employment conditions, and firm trends in consumer spending reflecting these factors.

In this operating environment, the Link and Motivation Group's net sales and gross profit for the first half of 2015 were firm. Consolidated net sales were ¥15,969,801 thousand (a 21.0% increase compared with the same period of the previous year) and gross profit was ¥5,482,661 thousand (a 13.0% increase). On the other hand, operating income was ¥504,761 thousand (a 10.9% decrease) and ordinary income was ¥480,599 thousand (an 11.1% decrease) due to higher outsourcing costs, enhanced advertising for new products and an increase in selling, general and administrative expenses associated with the establishment of consolidated offices, renewal of core systems and other factors. Nevertheless, net income increased compared with the same period of the previous year to ¥216,492 thousand (a 24.7% increase).

An overview of results by segment and business for the first half of 2015 is provided below. The classification of segments and businesses of the Link and Motivation Group is as follows.



Business Division

The Business Division conducts operations with corporations such as companies and schools as its customers. It offers personnel training support and services that raise organizational capabilities by strengthening relationships with the organization's stakeholders using "motivation engineering," which is the core technology of the Link and Motivation Group.

In this segment, as the result of the addition of Interac Co., Ltd. to the scope of consolidation in April 2014 and steady performance by each business, segment sales and income for the first half increased substantially compared with the same period of the previous year. Segment sales were ¥12,560,977 thousand (a 33.1% increase) and segment income was ¥4,081,002 thousand (an 11.1% increase). An overview of operating results in the first half of 2015 by business is as follows.

Organizational & Personnel Consulting Business

In this business, sales in the first half were ¥3,394,772 thousand (an 11.5% increase) and gross profit was ¥1,797,844 thousand (a 2.5% decrease).

The Organizational & Personnel Consulting business acts under the concept of producing numerous “motivation companies” in which employee motivation is a company’s growth engine. As its method of providing services, the business diagnoses the state of a company’s motivation based on its original diagnostic framework and offers various one-stop solutions for innovations related to organizations and personnel, including recruiting, training, framework and corporate culture.

In the first half of 2015, although consulting sales decreased compared with the same period of the previous year due to the impact of a decrease in the number of corporate recruiting events, sales of manager training and other package products that have been areas of focus were firm due to enhanced sales promotion. In addition, outsourcing sales increased substantially as newly added Link Relation Engineering Inc. captured the business outsourcing needs of clients in the recruiting field, and as a result sales increased overall. On the other hand, a substantial increase in outsourcing costs due to the concentration of consultants’ busy periods resulted in a slight decrease in gross profit.

In addition to restructuring its products and services for more substantive resolution of organizational issues in line with rising corporate willingness to invest in human resources, the business will focus on training its own personnel to achieve an increase in added value that leads to further business growth.

Event & Media Business

In this business, sales in the first half were ¥1,619,423 thousand (a 2.7% increase) and gross profit was ¥409,001 thousand (a 21.8% decrease).

The Event & Media business produces events and media for various communications in corporate activities to create motivation companies. In its event production, the business supports organizational vitalization by promoting stakeholders’ interest and understanding through support for creation of forums such as anniversary events, recruiting presentations, promotional events and shareholders’ meetings. In its media production, the business is involved in printed media such as company newsletters, corporate brochures and annual reports for shareholders, as well as web-based media such as corporate websites and investor relations sites and visual media such as videos that explain products and webcasts of shareholders’ meetings.

In the first half, media production performed strongly by capturing needs for video media in the recruiting field, but the decline in the number of corporate recruiting events had a major impact. As a result, although sales increased compared with the same period of the previous year, gross profit decreased substantially.

The business will work to stabilize sales and improve its profit margin by developing highly differentiated, high-margin standardized products using motivation engineering technology.

Recruiting & Temp Agency Business

In this business, sales in the first half were ¥3,854,284 thousand (a 4.9% increase) and gross profit was ¥952,443 thousand (a 16.1% increase).

The Recruiting & Temp Agency business provides solutions in the form of recruiting and temp agency services for the human resources an organization requires to grow. The main businesses include new graduate recruiting and introduction, which connects university students looking for employment with corporate presentations and interviews, a mid-career introduction service, which matches working adults looking to change jobs with companies, and a sales and marketing temp staff and agency service, which dispatches temporary sales and office staff and handles corporate sales activities.

In the first half, sales of new graduate recruiting and introduction, and mid-career employee introduction services for corporations were firm. For office temp staff, an area where the business had been working for some time to strengthen linkage with the Schools business in the Consumer Division, sales increased substantially, by

more than 1,500% compared with the same period of the previous year, from capturing corporate needs to increase personnel. As a result, both sales and gross profit increased compared with the same period of the previous year.

The business will work to reduce recruiting costs by raising its accuracy in matching corporate needs and further promoting long-term deployment of staff. In addition, the business will raise profitability by encouraging individual staff to register with the Group's Schools business to improve their skills, thus further accelerating activities linked to corporate dispatch and introductions.

ALT Placement Business

In this business, sales in the first half were ¥4,829,117 thousand and gross profit was ¥1,281,067 thousand.

The ALT Placement business is the main business of Interac Co., Ltd., whose stock the Link and Motivation Group acquired in April 2014, and which dispatches foreign assistant language teachers (ALTs) in elementary, secondary and other schools throughout Japan and provides English-language instruction services on contract. In this business, the number of business opportunities each year is limited and customer trust is essential, and Interac, which has the top track record among private companies, has established superiority over its competitors. Consequently, first-quarter results were steady.

In the future, there will be a growing trend toward strengthening English ability in educational guidelines for elementary and middle schools ahead of the Tokyo Olympics to be held in 2020. In this operating environment with an expanding market, the business aims to further expand with the personnel training methods accumulated by the Organizational & Personnel Consulting business as a new advantage to add to Interac's accumulated ALT management expertise.

Consumer Division

The Consumer Division provides services by applying motivation engineering, which is the core technology of the Link and Motivation Group, to business for consumers in areas including schools, preparatory schools and sports.

In this segment, segment sales for the first half decreased and gross profit increased compared with the same period of the previous year. Segment sales were ¥4,015,332 thousand (a 7.4% decrease) and segment income was ¥1,583,605 thousand (a 7.0% increase). An overview of operating results in the first half of 2015 by business is as follows.

Schools Business

In this business, sales in the first half were ¥3,629,746 thousand (a 9.1% decrease) and gross profit was ¥1,429,414 thousand (a 6.8% increase).

The Schools business defines human resources who act independently and autonomously, without depending on an organization, as "i-companies" and operates under the business concept of producing numerous i-companies. Its services are broadly divided into the two areas of preparatory schools for middle and high school students and career schools for university students and working adults. Preparatory schools provide a place where students can not only prepare for school entrance exams but also develop skills to play a role in society under the "Motivation Academia" service brand. Career schools provide one-stop support for literacy skills such as personal computer and language skills and for acquiring qualifications under the three service brands of "Aviva" personal computer schools, "Daiei" qualification schools and "Aviva English" language schools.

In the first half, strengthened coordination with the Business Division for corporate training and firm sales of PC training courses for new employees contributed to substantial growth compared with the same period of the previous year. Moreover, measures for the operation of career schools including the closure or consolidation of unprofitable and adjacent locations, which have been ongoing from the previous year, were successful. Although sales decreased with the decline in the number of students associated with school closures and consolidation, gross profit increased as the business transformed itself into a business entity with a low break-even point.

The business will enhance its courses as a total career school and establish comprehensive services from providing career guidance to offering employment opportunities in collaboration with the Recruiting & Temp Agency business. By doing so, it aims to add value to the Schools business as a whole in the belief that it can raise the loyalty of existing customers and attract more new customers.

Entertainment Business

In this business, sales in the first half were ¥401,035 thousand (an 11.2% increase) and gross profit was ¥159,138 thousand (an 8.7% increase).

The Entertainment business manages a professional basketball team and operates an Italian restaurant under the concept of “creating quality of life” for individuals. The professional basketball team managed by the business is the Link Tochigi Brex, which is based in Tochigi, and revenues consist mainly of sales of tickets for games and goods and sponsorship income. The Italian restaurant business, called Link Dining, operates an outlet in Ginza.

In the first half, ticket sales and sponsorship income from the management of the Link Tochigi Brex were strong due to increases in the number of games played and spectators. Performance at Link Dining was solid, and sales and gross profit both increased substantially compared with the same period of the previous year.

The business will continue to aim for business development with originality driven by motivation engineering technology. In particular, although the Link Tochigi Brex failed to reach the playoffs, it has a positive reputation, attracting the highest number of spectators in the league, and the team has been selected for the first division of the new Japan Professional Basketball League.

The team will continue to increase the number of its core local fans and further enhance its abilities to win the league championship, which will lead to the growth of the business.

(2) Commentary on Financial Condition

A. Assets, Liabilities and Net Assets

As of June 30, 2015, total assets were ¥18,455 million (an increase of ¥559 million from the end of the previous year), total liabilities were ¥11,650 million (an increase of ¥588 million from the end of the previous year) and net assets were ¥6,805 million (a decrease of ¥29 million from the end of the previous year).

B. Cash Flow

Cash and cash equivalents during the six months ended June 30, 2015 increased ¥2 million to ¥1,019 million (a 47.8% increase compared with the same period of the previous year). Net cash provided by operating activities was ¥860 million (net cash provided in the same period of the previous year was ¥226 million), net cash used in investing activities was ¥1,164 million (net cash used in the same period of the previous year was ¥5,601 million), and net cash provided by financing activities was ¥304 million (net cash provided in the same period of the previous year was ¥5,538 million).

2. Items Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

None applicable.

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

	Six months ended June 30, 2015
Calculation of tax expenses	Tax expenses are calculated by multiplying pretax net income for the fiscal year by a reasonable estimate of the effective tax rate after application of tax effect accounting to pretax net income.

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

None applicable.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

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

	As of December 31, 2014	As of June 30, 2015
ASSETS		
Current assets		
Cash and deposits	1,016,304	1,019,297
Notes and accounts receivable	3,944,691	3,706,998
Products	95,330	94,646
Goods in process	341,154	361,115
Merchandise and supplies	35,368	35,436
Prepaid expenses	294,593	368,314
Deferred tax assets	333,549	315,236
Short-term loans receivable	6,806	29,081
Accrued corporate tax refund	—	119,018
Other	149,788	272,375
Allowance for doubtful accounts	(18,964)	(27,061)
Total current assets	6,198,624	6,294,458
Fixed assets		
Property and equipment		
Buildings and structures	931,009	1,145,129
Accumulated depreciation	(518,974)	(542,073)
Buildings and structures (net)	412,034	603,055
Vehicles	11,933	11,933
Accumulated depreciation	(11,147)	(11,309)
Vehicles (net)	785	623
Furniture and fixtures	639,078	667,295
Accumulated depreciation	(527,676)	(543,186)
Furniture and fixtures (net)	111,402	124,109
Lease assets	506,460	478,489
Accumulated depreciation	(204,804)	(202,511)
Lease assets (net)	301,656	275,977
Total property and equipment	825,879	1,003,765
Intangible assets		
Goodwill	7,804,410	7,437,536
Software	436,886	584,492
Other	124,238	7,271
Total intangible assets	8,365,535	8,029,300
Investments and other assets		
Investments in securities	1,123,054	1,637,474
Security deposits	1,187,791	1,286,159
Deferred tax assets	102,023	101,532
Claims in bankruptcy	13,053	13,053
Other	82,881	94,416
Allowance for doubtful accounts	(13,053)	(13,053)
Total investments and other assets	2,495,750	3,119,583
Total fixed assets	11,687,165	12,152,650
Deferred assets		
Stock issuance expenses	10,910	8,653
Total deferred assets	10,910	8,653
Total assets	17,896,700	18,455,762

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

	As of December 31, 2014	As of June 30, 2015
LIABILITIES		
Current liabilities		
Accounts	233,855	299,328
Short-term borrowings	1,752,563	2,700,000
Long-term debt due within one year	673,512	655,112
Accounts payable	1,644,131	1,675,866
Lease obligations	109,070	106,197
Expenses payable	166,483	127,638
Accrued income taxes	384,889	386,725
Accrued consumption taxes	720,149	362,861
Advances received	1,603,845	1,788,119
Accrued bonuses to employees	179,770	222,597
Accrued bonuses to officers	949	36,040
Provision for loss on store closure	18,259	—
Other	297,615	352,486
Total current liabilities	7,785,096	8,712,972
Long-term liabilities		
Long-term debt	2,752,188	2,433,832
Lease obligations	206,539	181,417
Deferred income taxes	41,518	41,518
Asset retirement obligations	65,474	85,934
Other	210,965	194,823
Total long-term liabilities	3,276,685	2,937,525
Total liabilities	11,061,782	11,650,498
NET ASSETS		
Shareholders' equity		
Common stock	1,380,610	1,380,610
Additional paid-in capital	2,146,648	2,146,648
Retained earnings	3,296,126	3,263,869
Treasury stock	(44)	(44)
Total shareholders' equity	6,823,340	6,791,084
Cumulative other comprehensive income		
Unrealized gain (loss) on securities	6,006	4,837
Deferred gain (loss) on hedges	—	927
Foreign currency translation adjustment	5,571	8,415
Total cumulative other comprehensive income	11,577	14,179
Total net assets	6,834,918	6,805,264
Total liabilities and net assets	17,896,700	18,455,762

(2) Consolidated Statements of Operations and Comprehensive Income

Consolidated Statements of Operations

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

	Six months ended June 30, 2014	Six months ended June 30, 2015
Net sales	13,203,316	15,969,801
Cost of sales	8,350,237	10,487,139
Gross profit	4,853,078	5,482,661
Selling, general and administrative expenses	4,286,659	4,977,900
Operating income	566,418	504,761
Non-operating income		
Interest income	276	338
Dividend income	112	1
Commission fees	12,530	5,991
Other	5,506	4,607
Total non-operating income	18,425	10,938
Non-operating expenses		
Interest expenses	22,738	20,001
Commission fees	20,353	10,597
Other	1,078	4,502
Total non-operating expenses	44,170	35,101
Ordinary income	540,673	480,599
Extraordinary income		
Compensation received	—	31,188
Other	—	961
Total extraordinary income	—	32,149
Extraordinary loss		
Loss on disposal of property and equipment	3,134	2,322
Loss on cancellation of leasehold contracts	—	3,459
Loss on impairment	—	5,157
Business structure improvement expenses	22,750	1,340
Total extraordinary loss	25,885	12,280
Income before income taxes	514,788	500,468
Total income taxes	341,145	283,975
Income before minority interests	173,642	216,492
Net income	173,642	216,492

Consolidated Statements of Comprehensive Income

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

	Six months ended June 30, 2014	Six months ended June 30, 2015
Income before minority interests	173,642	216,492
Other comprehensive income		
Unrealized gain on securities	25	(1,168)
Deferred gain (loss) on hedges	(120)	927
Foreign currency translation adjustment	—	2,844
Total other comprehensive income	(95)	2,602
Comprehensive income	173,547	219,094
(Attributable to)		
Owners of the parent	173,547	219,094

(3) Consolidated Statements of Cash Flow

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

	Six months ended June 30, 2014	Six months ended June 30, 2015
Cash flow from operating activities		
Income before income taxes	514,788	500,468
Depreciation and amortization	172,111	258,037
Loss on impairment	—	5,157
Amortization of goodwill	310,400	366,874
Increase (decrease) in allowance for doubtful accounts	(10,142)	8,096
Increase (decrease) in allowance for employees' bonuses	(105,655)	42,826
Increase (decrease) in allowance for officers' bonuses	1,443	35,090
Increase (decrease) in provision for loss on store closure	(23,299)	(18,259)
Loss on disposal of fixed assets	3,134	2,322
Interest and dividend income	(388)	(340)
Interest expense	22,738	20,001
Decrease (increase) in notes and accounts receivable – trade	177,993	237,692
Decrease (increase) in inventories	(245,399)	(19,343)
Increase (decrease) in notes and accounts payable	(103,111)	65,472
Increase (decrease) in accounts payable	(10,085)	96,722
Increase (decrease) in advances received	(188,229)	184,274
Increase (decrease) in long-term accounts payable	(43,142)	(17,861)
Increase (decrease) in accrued consumption taxes	114,494	(357,379)
Other	144,391	(146,273)
Subtotal	732,042	1,263,579
Interest and dividends received	699	340
Interest paid	(22,828)	(19,819)
Income tax refund	7,369	6,891
Income taxes paid	(490,724)	(390,580)
Net cash provided by operating activities	226,557	860,411
Cash flow from investing activities		
Payments for acquisition of property and equipment	(274,707)	(283,885)
Payments for acquisition of intangible fixed assets	(104,202)	(203,894)
Payments for acquisition of investment securities	(581,978)	(516,308)
Payments for acquisition of subsidiary stock due to a change in the scope of consolidation	(4,624,349)	—
Payments for loans	(21,858)	(22,275)
Payments for investments in capital of subsidiaries and affiliates	—	(7,500)
Payments for security deposits and guarantees	(32,053)	(170,113)
Proceeds from recovery of security deposits and guarantees	54,549	40,986
Other	(16,703)	(1,758)
Net cash used in investing activities	(5,601,303)	(1,164,749)
Cash flow from financing activities		
Increase (decrease) in short-term debt	3,439,726	947,436
Repayment of long-term debt	(237,553)	(336,756)
Proceeds from issuance of stock	801,720	—
Repayment of lease obligations	(33,556)	(57,294)
Proceeds from disposal of treasury stock	1,743,033	—
Payments for purchase of treasury stock	(44)	—
Payment of cash dividends	(174,356)	(248,899)
Net cash provided by financing activities	5,538,969	304,485
Cash and cash equivalents translation adjustment	—	2,844
Net increase (decrease) in cash and cash equivalents	164,224	2,992
Cash and cash equivalents at beginning of period	525,487	1,016,304
Cash and cash equivalents at end of period	689,712	1,019,297

(4) Notes to Consolidated Financial Statements

Notes Regarding Assumption of Going Concern

None applicable.

Notes on Significant Changes in Shareholders' Equity

None applicable.

Segment Information

Segment Information

I. Six months ended June 30, 2014

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	9,221,893	3,981,422	13,203,316	—	13,203,316
Intersegment sales and transfers	212,425	355,703	568,128	(568,128)	—
Total	9,434,318	4,337,126	13,771,444	(568,128)	13,203,316
Segment income (Note 2)	3,673,983	1,480,094	5,154,078	(300,999)	4,853,078

Notes: 1. Adjustment represents elimination of intersegment transactions.

2. Segment income is gross profit.

2. Assets by Reportable Segment

Assets by reportable segment as of June 30, 2014 changed significantly from December 31, 2013. During the six months ended June 30, 2014, the Link and Motivation Group added Interac Co., Ltd. as a consolidated subsidiary, and included the assets of this company in the Business Division.

The addition of the consolidated subsidiary increased Business Division assets by ¥2,771,665 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, goodwill increased due to the acquisition of the stock of Interac Co., Ltd. This event increased goodwill by ¥4,520,260 thousand in the six months ended June 30, 2014.

(Significant gains on negative goodwill)

None applicable.

II. Six months ended June 30, 2015

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	12,447,626	3,522,175	15,969,801	—	15,969,801
Intersegment sales and transfers	113,350	493,157	606,508	(606,508)	—
Total	12,560,977	4,015,332	16,576,309	(606,508)	15,969,801
Segment income (Note 2)	4,081,002	1,583,605	5,664,608	(181,946)	5,482,661

Notes: 1. Adjustment represents elimination of intersegment transactions.

2. Segment income is gross profit.

2. Assets by Reportable Segment

None applicable.

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)

None applicable.

(Significant gains on negative goodwill)

None applicable.