

[Translation]
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Link and Motivation Inc.
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Notice of Delay in Announcement of Financial Results for the First Half of 2015

Link and Motivation Inc. (the Company) has decided to delay the announcement of its financial results for the first half of 2015 (January 1, 2015 to June 30, 2015). The Company had planned to announce its first-half results on August 11, 2015.

1. Reason for the Delayed Announcement of Financial Results

In the course of preparing its consolidated financial statements for the first half of 2015, the Company discovered that one of its subsidiaries had engaged in improper accounting practices (hereinafter, the "improper accounting") in an attempt to defer to the next quarter expenses of approximately ¥68 million related to a certain supplier.

The Company carried out an internal investigation in response to this matter beginning on August 7, 2015. Based on the results of that investigation, the Company judged that it is necessary to set up a Special Investigation and Verification Committee, consisting primarily of members of the Company's Internal Investigation Committee and outside specialists, to identify the causes, verify whether similar improper accounting practices took place at this subsidiary or at other subsidiaries and in other periods, and formulate measures to prevent a recurrence. In making this judgment, the Company, based on the opinion of its attorney, decided that it would be necessary to conduct a more objective and impartial investigation, including confirmation of the related facts, and to deal with the matter expeditiously, and therefore arrived at the view that setting up a Special Investigation and Verification Committee primarily composed of outside attorneys and accountants who have no interests in the Company would be appropriate.

The investigation and verification procedures by the Internal Investigation Committee and the Special Investigation and Verification Committee are expected to take at least the next three weeks, and an additional review by the Company's independent auditor will also be required. Consequently, the quarterly review report from the Company's independent auditor is not expected to be received

in time for the August 14, 2015 deadline for submitting the second-quarter report for 2015.

Therefore, the Company has decided to postpone its announcement of financial results for the first half of 2015 that had been scheduled for August 11, 2015.

2. Plans Going Forward

The Company plans to submit an application for approval of extension of the submission deadline for the second-quarter report for 2015, and will make a prompt disclosure when it has submitted that application. In addition, the Company will proceed with selection of the members of the Special Investigation and Verification Committee, and will issue a notice as soon as the details of the committee are finalized. After the committee is launched, it will quickly proceed with the tasks of verifying whether similar improper accounting took place at the subsidiary involved in this incident, or at other subsidiaries and in other periods, as well as formulating measures to prevent a recurrence.

At present, the Company expects the date of its announcement of financial results for the first half of 2015 to be around the middle of September.

The Company expresses its deepest apologies to shareholders, business partners and other stakeholders for any inconvenience and concern this matter has caused, and will make every effort to regain their trust.

End.