

Corporate Data

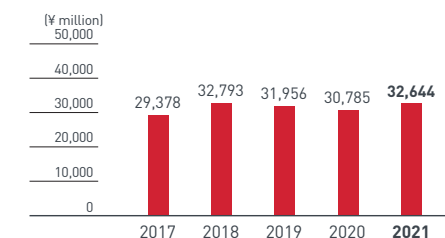
Performance, Financial Position and Dividends

(As of December 31, 2021)

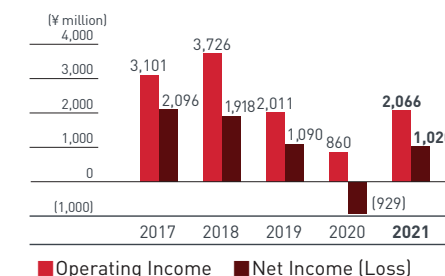
	2017	2018	2019	2020	2021
(¥ million)					
Performance					
Revenues	29,378	32,793	31,956	30,785	32,644
Gross profit	12,236	14,601	13,631	14,008	15,340
Selling, general and administrative expenses	9,181	10,658	10,904	12,084	12,625
Other income	132	26	173	757	112
Other expenses	86	243	888	1,820	760
Operating income	3,101	3,726	2,011	860	2,066
Financial revenues	35	25	17	8	12
Financial expenses	141	131	167	240	174
Net income (loss) from continuing operations	1,877	1,860	1,074	(307)	1,102
Net income (loss) from discontinued operations	218	58	15	(622)	(82)
Net income (loss)	2,096	1,918	1,090	(929)	1,020
Financial Position					
Total assets	25,770	27,664	44,787	41,083	30,062
Total equity	6,697	7,681	7,033	4,917	8,648
Interest-bearing debt	10,425	11,208	30,036	28,379	13,887
Dividends (Yen)					
Dividends per share	6.20	6.80	7.20	7.20	7.40

- From 2017, the Company has adopted International Financial Reporting Standards (IFRS) in place of the previously used generally accepted accounting principles in Japan (J-GAAP).
- Dividends per share of ¥6.20 for 2017 consisted of ¥1.50 in each of the first and second quarters and ¥1.60 in each of the third and fourth quarters.
- Dividends per share of ¥6.80 for 2018 consisted of ¥1.70 in each of the four quarters.
- Dividends per share of ¥7.20 for 2019 and 2020 consisted of ¥1.80 in each of the four quarters.
- Dividends per share of ¥7.40 for 2021 consisted of ¥1.80 in each of the first and second quarters and ¥1.90 in each of the third and fourth quarters.
- As of 2021, the domestic temp staff business of Link Staffing Inc. has been classified as discontinued operations. As a result, profits from discontinued operations are presented separately from continuing operations in the consolidated statements of operations. Accordingly, revenues, gross profit and operating income present the amounts for continuing operations. Amounts prior to 2020 have also been restated in the same manner.

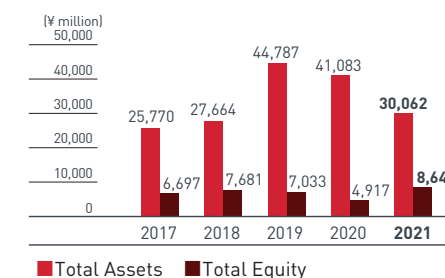
Revenues



Operating Income/Net Income (Loss)



Total Assets/Total Equity



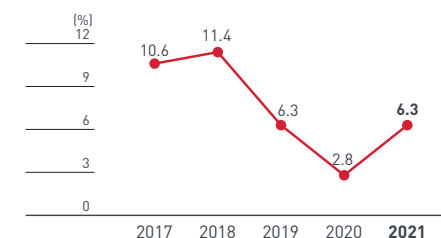
Key Financial Indicators

[As of December 31, 2021]

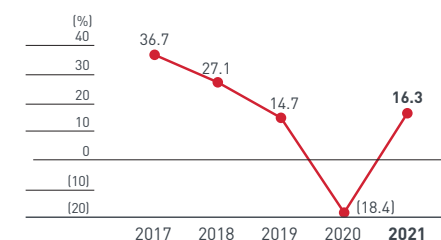
	2017	2018	2019	2020	2021
Operating margin (%)	10.6	11.4	6.3	2.8	6.3
Return on equity (ROE) (%)	36.7	27.1	14.7	(18.4)	16.3
Basic earnings per share (EPS) (Yen)	19.95	18.42	10.30	(9.50)	8.73
Diluted earnings per share (Yen)	—	18.36	10.28	(9.50)	8.73
Book value per share (BPS) (Yen)	63.37	72.87	67.13	35.84	67.17
Ratio of equity attributable to owners of the parent to total assets (%)	26.0	27.8	15.7	9.2	24.9

Note: From 2017, the Company has adopted International Financial Reporting Standards (IFRS) in place of the previously used generally accepted accounting principles in Japan (J-GAAP).

Operating Margin



Return on Equity (ROE)



Revenues by Business/Other Business-Related Data

(As of December 31, 2021)

(¥ million)

Revenues by Business	2017	2018	2019	2020	2021
Organizational Development Division	11,695	13,277	11,729	9,923	10,819
Consulting & Cloud Business	8,959	10,071	8,883	7,808	8,716
Event & Media Business	4,243	4,163	3,430	2,604	2,479
Individual Development Division	7,220	7,879	7,838	6,732	7,471
Career School Business	6,730	7,122	7,139	6,071	6,824
Cram School Business	490	758	704	666	651
Matching Division	11,534	12,713	13,131	14,846	15,043
Global Personnel Placement & Temp Staff Business	11,073	12,187	12,563	12,931	13,123
Domestic Personnel Placement & Temp Staff Business	478	545	591	1,946	1,943
Total	29,378	32,793	31,956	30,785	32,644

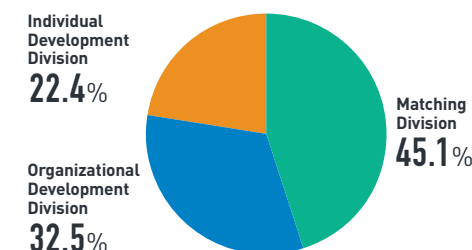
1. Revenues by Business include intersegment transactions.
2. From 2017, the Company has adopted International Financial Reporting Standards (IFRS) in place of the previously used generally accepted accounting principles in Japan (J-GAAP).
3. The name of the Consulting & Outsourcing Business was changed to the Consulting & Cloud Business in 2020.
4. The Group classified the domestic temp staff business of Link Staffing Inc. as discontinued operations in the fiscal year ended December 31, 2021. As a result, all relevant figures for the Matching Division have been restated.

Number of Client Companies by Business (Consolidated)	2017	2018	2019	2020	2021
Consulting & Cloud Business	1,474	1,636	1,725	1,488	1,354
Event & Media Business	434	964	748	824	401
Global Personnel Placement & Temp Staff Business	630	657	655	606	570
Domestic Personnel Placement & Temp Staff Business	666	632	626	693	253
Total	3,005	3,713	3,545	3,362	2,191

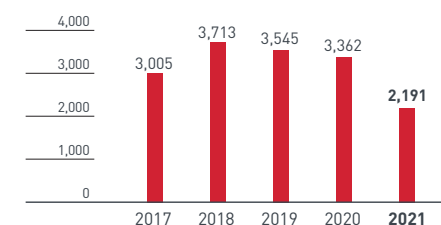
Note: The Group classified the domestic temp staff business of Link Staffing Inc. as discontinued operations in the fiscal year ended December 31, 2021. As a result, only the relevant figures for 2021 have been restated.

Number and Average Age of Employees	2017	2018	2019	2020	2021
Number of employees (Consolidated)	1,397	1,375	1,391	1,498	1,493
Number of employees (Non-consolidated)	225	249	312	403	376
Average age of employees (Consolidated)	36.2	36.0	35.9	35.6	36.3
Average age of employees (Non-consolidated)	33.3	31.4	30.8	31.1	31.7

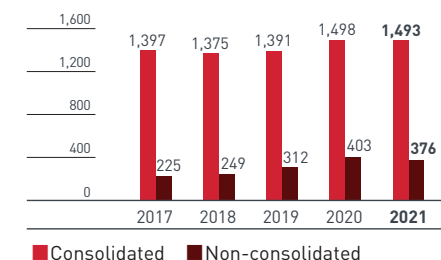
Revenues by Business (2021)



Number of Client Companies



Number of Employees



Consolidated Statements of Financial Position

(As of December 31, 2021)

	2017	2018	2019	2020	2021
	(¥ million)				
ASSETS					
Current assets					
Cash and cash equivalents	1,654	1,979	2,160	6,449	4,917
Trade and other receivables	4,929	4,533	4,114	3,680	3,851
Inventories	186	278	256	187	200
Other current financial assets	11	9	17	14	9
Other current assets	808	1,015	4,905	1,057	753
Total current assets	7,589	7,817	11,454	11,389	9,732
Non-current assets					
Property, plant and equipment	1,905	1,851	1,459	1,162	637
Right-of-use assets	—	—	15,941	12,790	4,149
Goodwill	6,701	6,551	5,927	9,376	9,410
Intangible assets	1,534	1,841	2,095	2,266	2,234
Investments in associates	1,164	3,080	2,788	—	—
Other non-current financial assets	6,017	5,821	4,033	3,203	2,744
Deferred tax assets	506	440	839	646	984
Other non-current assets	350	260	248	245	168
Total non-current assets	18,180	19,847	33,333	29,694	20,329
Total assets	25,770	27,664	44,787	41,083	30,062

Note: Due to the application of IFRS 16, "right-of-use assets" has been presented independently from 2019.

	2017	2018	2019	2020	2021
	(¥ million)				
LIABILITIES					
Current liabilities					
Trade and other payables	4,023	2,394	2,397	2,174	2,094
Contract liabilities	—	1,573	1,760	1,786	1,615
Interest-bearing and other financial liabilities	5,007	4,749	4,104	7,440	7,161
Lease liabilities	—	—	1,839	1,778	1,079
Income tax payable	883	1,077	865	484	716
Provisions	2	18	21	129	274
Other current liabilities	2,212	2,287	1,843	2,149	2,075
Total current liabilities	12,129	12,101	12,831	15,944	15,018
Non-current liabilities					
Interest-bearing and other financial liabilities	5,418	6,458	9,177	7,104	1,716
Lease liabilities	—	—	14,915	12,056	3,929
Provisions	440	435	462	560	359
Deferred tax liabilities	813	724	218	362	256
Other non-current liabilities	270	261	148	138	134
Total non-current liabilities	6,942	7,881	24,922	20,222	6,395
Total liabilities	19,072	19,982	37,754	36,166	21,413
EQUITY					
Equity attributable to owners of the parent					
Share capital	1,380	1,380	1,380	1,380	1,380
Capital surplus	2,137	1,989	1,987	1,855	3,879
Treasury shares	(1,373)	(1,373)	(1,733)	(1,733)	(320)
Retained earnings	3,426	4,763	5,440	3,989	4,406
Other components of equity	1,121	936	(31)	(1,731)	(1,853)
Total equity attributable to owners of the parent	6,692	7,696	7,043	3,760	7,493
Non-controlling interests	4	(15)	(10)	1,157	1,154
Total equity	6,697	7,681	7,033	4,917	8,648
Total liabilities and equity	25,770	27,664	44,787	41,083	30,062

Note: Due to the application of IFRS 16, "lease liabilities" has been presented independently from 2019.

Consolidated Statements of Operations and Comprehensive Income

(As of December 31, 2021)

	(¥ million)				
	2017	2018	2019	2020	2021
Revenues	29,378	32,793	31,956	30,785	32,644
Cost of sales	17,142	18,192	18,325	16,777	17,304
Gross profit	12,236	14,601	13,631	14,008	15,340
Selling, general and administrative expenses	9,181	10,658	10,904	12,084	12,625
Other income	132	26	173	757	112
Other expenses	86	243	888	1,820	760
Operating income	3,101	3,726	2,011	860	2,066
Financial revenues	35	25	17	8	12
Financial expenses	141	131	167	240	174
Equity in earnings of associates	2	(335)	43	41	—
Income before income taxes	2,998	3,284	1,904	670	1,903
Income taxes	1,120	1,424	829	977	801
Net income (loss) from continuing operations	1,877	1,860	1,074	(307)	1,102
Net income (loss) from discontinued operations	218	58	15	(622)	(82)
Net income (loss)	2,096	1,918	1,090	(929)	1,020
(Net income (loss) attributable to)					
Owners of the parent	2,107	1,945	1,086	(996)	918
Non-controlling interests	(11)	(27)	4	66	101
Net income (loss)	2,096	1,918	1,090	(929)	1,020
Net income (loss) per share attributable to owners of the parent					
Basic earnings (loss) per share (Yen)	19.95	18.42	10.30	(9.50)	8.73
Diluted earnings (loss) per share					
Diluted earnings (loss) per share (Yen)	—	18.36	10.28	(9.50)	8.73

Note: As of 2021, the domestic temp staff business of Link Staffing Inc. has been classified as discontinued operations. As a result, profits from discontinued operations are presented separately from continuing operations in the consolidated statements of operations. Accordingly, revenues, gross profit and operating income present the amounts for continuing operations. Amounts prior to 2020 have also been restated in the same manner.

	(¥ million)				
	2017	2018	2019	2020	2021
Net income (loss)	2,096	1,918	1,090	(929)	1,020
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	438	(85)	13	(1,397)	22
Total of items that will not be reclassified to profit or loss	438	(85)	13	(1,397)	22
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	(0)	(0)	(0)	(2)	4
Total of items that may be reclassified to profit or loss	(0)	(0)	(0)	(2)	4
Total other comprehensive income	438	(86)	13	(1,399)	26
Total comprehensive income	2,534	1,832	1,103	(2,329)	1,047
(Attributable to)					
Owners of the parent	2,545	1,859	1,099	(2,396)	945
Non-controlling interests	(11)	(27)	4	66	101
Comprehensive income	2,534	1,832	1,103	(2,329)	1,047

Consolidated Statements of Cash Flow

(As of December 31, 2021)

	(¥ million)				
	2017	2018	2019	2020	2021
Cash Flow from Operating Activities					
Income before income taxes	2,998	3,284	1,904	670	1,903
Loss before income taxes from discontinued operations	267	103	[0]	[611]	[13]
Depreciation and amortization	626	751	2,480	2,798	2,870
Loss on impairment	34	207	959	2,386	756
Gain on valuation of investment securities	—	—	—	[563]	—
Loss (gain) on sales of fixed assets	—	—	—	[7]	[3]
Gain on cancellation of insurance	—	—	—	—	[8]
Financial revenues and financial expenses	102	102	146	224	163
Equity in (earnings) losses of associates	[2]	335	[43]	[41]	—
Loss (gain) on sales of investments accounted for using the equity method	—	—	[160]	—	—
Decrease (increase) in trade and other receivables	[949]	395	418	503	[173]
Loss (gain) on step acquisition	—	—	—	16	—
Decrease (increase) in inventories	[26]	[91]	22	68	[12]
Increase (decrease) in trade and other payables	91	6	8	[263]	[78]
Other	237	[102]	[43]	657	[547]
Subtotal	3,379	4,992	5,693	5,837	4,856
Interest and dividends received	3	14	9	5	0
Interest paid	[105]	[108]	[155]	[226]	[162]
Income tax refund	393	17	62	28	439
Income taxes paid	[726]	[1,304]	[1,783]	[1,675]	[816]
Net cash provided by operating activities	2,944	3,611	3,827	3,970	4,316

Note: The former items "Interest and dividend income" and "Interest expense" are included in "Financial revenues and financial expenses" for presentation from 2018.

	(¥ million)				
	2017	2018	2019	2020	2021
Cash Flow from Investing Activities					
Payments for acquisition of property, plant and equipment	[930]	[275]	[337]	[222]	[330]
Proceeds from sale of property, plant and equipment	—	—	—	16	3
Payments for acquisition of intangible assets	[545]	[731]	[772]	[699]	[889]
Proceeds from acquisition of subsidiary stock associated with a change in the scope of consolidation	—	—	—	2,290	—
Payments for acquisition of investment securities	[861]	[135]	[204]	—	—
Proceeds from sale of investment securities	—	293	1,966	636	513
Payments for security deposits and guarantees	[493]	[163]	[122]	[56]	[272]
Proceeds from recovery of security deposits and guarantees	334	155	120	56	291
Payments for business transfer	[1,000]	—	—	—	—
Payments for acquisition of subsidiary stock	[1,626]	—	—	—	—
Payments for investments in associates	—	[2,252]	—	—	—
Proceeds from sales of investments accounted for using the equity method	—	—	498	—	—
Advance payments	—	—	[4,075]	—	—
Payments for fulfillment of asset retirement obligations	[106]	—	—	[44]	[142]
Proceeds from cancellation of insurance	—	—	—	—	85
Other	[2]	[12]	[63]	[9]	13
Net cash used in investing activities	[5,232]	[3,121]	[2,990]	1,969	[728]
Cash Flow from Financing Activities					
Net increase (decrease) in short-term financial liabilities	578	506	[1,000]	3,640	—
Proceeds from long-term financial liabilities	5,213	2,821	5,255	—	506
Repayment of long-term financial liabilities	[2,188]	[2,531]	[1,972]	[2,376]	[6,173]
Payments of cash dividends	[632]	[710]	[747]	[754]	[765]
Repayments of lease liabilities	—	—	[1,827]	[2,075]	[1,968]
Capital contribution from non-controlling interests	—	—	—	8	—
Payments for acquisition of interest in subsidiary from non-controlling interests	—	[140]	—	[90]	[753]
Payments for acquisition of treasury shares	—	—	[362]	—	—
Proceeds from sales of treasury shares	—	—	—	—	4,029
Other	[112]	[110]	—	—	—
Net cash provided by (used in) financing activities	2,859	[164]	[655]	[1,647]	[5,124]
Cash and cash equivalents translation adjustment	[0]	[0]	[0]	[2]	4
Net increase (decrease) in cash and cash equivalents	571	325	180	4,289	[1,532]
Cash and cash equivalents at beginning of year	1,082	1,654	1,979	2,160	6,449
Cash and cash equivalents at end of year	1,654	1,979	2,160	6,449	4,917

A Shrinking Labor Force

Japan's working population is shrinking at the fastest rate in the world.

Japan's Working Age Population Ratio¹

68.2% → **50.7%**
2000 2050

Working Age Population Ratio in Major Countries¹

Country	2000	2050
Japan	68.2%	50.7%
USA	66.0%	61.1%
UK	65.1%	59.0%
Germany	67.8%	56.4%
France	65.0%	56.4%
China	68.4%	59.8%

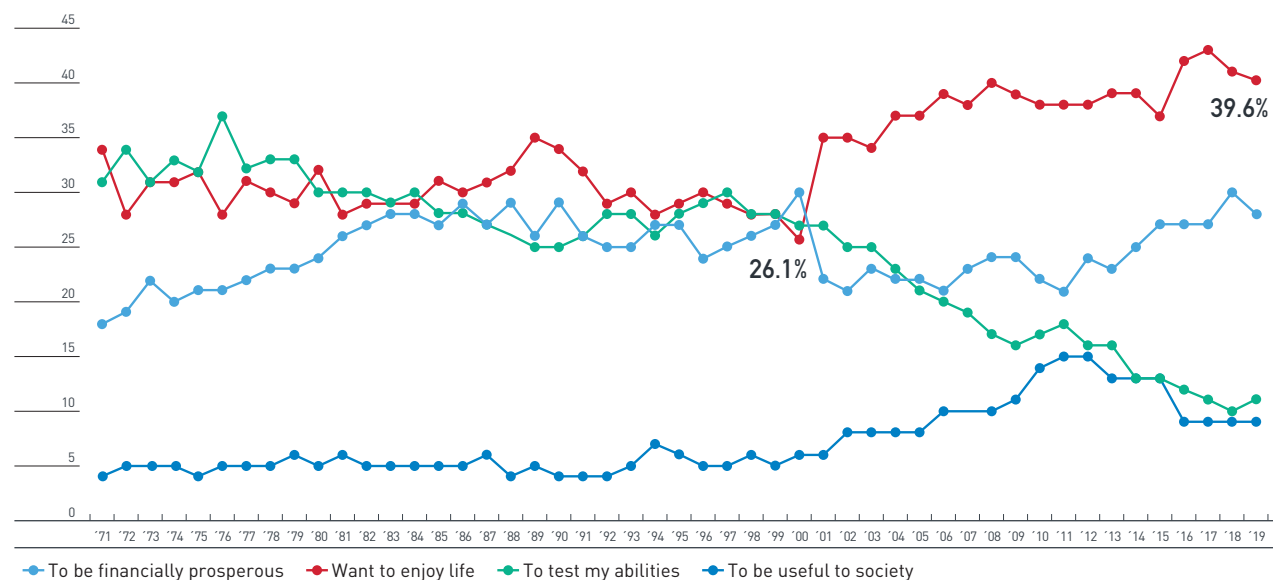
Diversifying Motivation for Work

The purpose of work is shifting to a sense of fulfillment and worthwhile work, and people are changing jobs more often.

Change in the "Purpose of Work" for New Employees
Percentage of Respondents Who "Want to Enjoy Life"²

26.1% → **39.6%**
2000 2019

Purpose of Work (Changes in Main Responses over Time)



1. Created by the Company from "Databook of International Labour Statistics 2019" by the Japan Institute for Labour Policy and Training

2. Created by the Company based on the results of the "Work Attitudes" survey for new employees conducted by the Japan Productivity Center in 2000 and 2019.

Changes in Management Issues

There are growing needs for human resource development and improved employee engagement.

Increased importance of human capital from management's perspective*

8th

2003 Personnel/employee treatment (systems)



2nd

2021 Strengthening human resources

Perception of Management Issues in 2003

1st	Financial soundness (or improving profitability)	37.0%
2nd	Low-cost management	31.3%
3rd	Net sales (or increasing market share)	29.6%
4th	Customer satisfaction management	27.9%
5th	Formulating commercialization and differentiation strategies	24.3%
6th	New businesses/new products	23.0%
7th	Speedy management	13.6%
8th	Personnel/employee treatment (systems)	12.7%
9th	Innovating and enhancing corporate culture	12.5%
10th	Addressing globalization (global management)	12.1%
11th	Group company reorganization (or consolidated management)	9.9%
12th	Current businesses	8.9%
12th	Research and development activities	8.9%
14th	Corporate philosophy/management philosophy/vision	7.9%
15th	Risk management	7.4%
16th	Establishing and utilizing IT/information network	5.1%
17th	Corporate image (corporate brand)	4.7%
18th	Developing skills	4.0%
19th	Addressing changes in distribution structure	3.9%
20th	Corporate governance	3.2%
21st	Employment issues	3.1%
22nd	Environmental/resource problems	2.6%
23rd	Intercompany cooperation	1.4%
24th	Coexistence with society	0.8%
25th	Other	0.8%

n=771 (Multiple answers)

Perception of Management Issues in 2021

1st	Improving profitability	40.8%
2nd	Strengthening human resources (hiring/training/dealing with diversity)	37.7%
3rd	Increasing sales/market share	35.2%
4th	Strengthening/ the business base, restructuring the business portfolio	25.9%
5th	Developing new products/services/businesses	22.8%
6th	Utilizing and strategically investing in digital technology	19.3%
7th	Penetration and revision of corporate mission/vision/values	11.4%
8th	Improving employee fulfillment/job satisfaction/engagement	11.0%
9th	Strengthening technical/R&D capabilities	10.6%
10th	Strengthening corporate governance	10.3%
11th	Enhancing financial soundness	9.5%
11th	Strengthening on-site capabilities	9.5%
13th	Improving customer experience value/satisfaction	9.1%
14th	Improving quality (products/services/technologies)	8.9%
15th	Improving high-cost structure	8.5%
16th	Corporate social responsibility, creating shared value, resolving social issues through business	7.5%
17th	Increasing shareholder value	7.0%
18th	Increasing brand power	5.8%
19th	Globalization (global management)	5.2%
20th	Risk management/formulating a business continuity plan (BCP)	2.1%
21st	Other	1.4%

N=517 (top three responses)

Note: Created by the Company based on "Survey on Current Management Issues for Japanese Companies 2003: Identification of Issues and Direction of Response for Future Management Innovation" and "Management Issues for Japanese Companies 2021," both from the Japan Management Association.

Company Profile

[As of March 30, 2022]

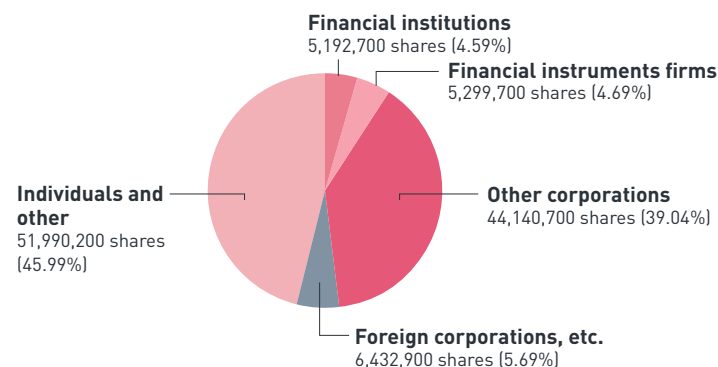
Company Information

Name	Link and Motivation Inc.
Head Office	Kabukiza Tower 15F, 4-12-15 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Established	March 27, 2000
Inaugurated	April 7, 2000
Paid-in Capital	1,380,610,000 yen
Fiscal Year-end	December 31
Group Companies	Click here for a list of Group companies https://www.lmi.ne.jp/english/companydata/group/

Share Information

Stock Code	2170
Stock Listing	First Section, Tokyo Stock Exchange
Trading Unit	100 shares
Shares Authorized	400,000,000 shares
Shares Issued and Outstanding	113,068,000 shares
Number of Shareholders	14,141

Share Distribution



Note: 1,506,443 treasury shares include 15,064 trading units listed under "Individuals and other" and 43 listed under "Status of odd stocks."

Major Shareholders (Top 10)

Shareholder	Number of shares held	Shareholding ratio [%]
Phoenix Co., Ltd.	42,000,000	37.65
Suguro Akira	6,874,600	6.16
Link and Motivation Employee Shareholding Company	6,758,500	6.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,919,000	3.51
Sakashita Hideki	3,680,000	3.29
Sakakibara Kiyotaka	3,680,000	3.29
Ozasa Yoshihisa	3,000,000	2.68
Nomura Securities Co., Ltd.	2,098,959	1.88
Link and Motivation Officer Shareholding	992,000	0.88
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	981,918	0.88

1. The above list of major shareholders excludes 1,506,443 treasury shares.
2. Shareholding ratio is calculated excluding treasury shares.



IR BOOK 2021

<https://www.lmi.ne.jp/english/>

Scope Link and Motivation Inc. and its consolidated subsidiaries

Reporting Period January 1, 2021 to December 31, 2021

Note: Includes some information that is outside the above reporting period.

Date of Issue March 2022

Note: Forecasts and other forward-looking statements contained in this report are based on information currently available to the Company, and are subject to potential risks, uncertainties and other factors.