



Link and Motivation Group

Integrated Report

# IR BOOK 2023

Link and Motivation Group

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



Creating a More  
Meaningful Society



An aerial photograph of a busy pedestrian crossing, likely in Japan, showing a large crowd of people walking across a zebra-striped crosswalk. A large, semi-transparent question mark is overlaid on the right side of the image. The scene is captured from a high angle, showing the density of the crowd and the geometric patterns of the crosswalk.

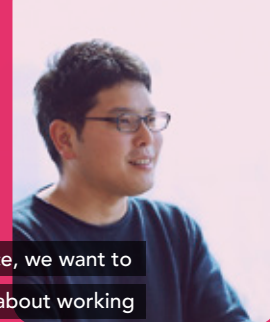
Introduction

# What Do We Mean by a “More Meaningful Society”?



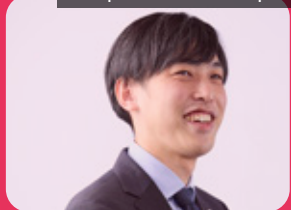


In Japan, a country with few natural resources, we will realize a society where people can truly thrive as the greatest, most powerful type of capital.



Through the OpenWork service, we want to make all kinds of information about working available to help achieve a society based on mutual selection.

We bring out each organization's unique qualities to raise the presence of Japanese companies in the capital market.



We help make everyone in the classroom setting more confident in their abilities in order to foster more dynamic lives in the future.

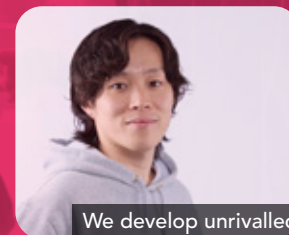


"The kind of society we want"

# Helping each individual discover the abundance of meaning that lies beyond material wealth

We aim to create a future where organizations and individuals use their dreams and sense of purpose to draw forth deeper meaning from society.

By improving our customers' skills, we expand their choices and create a more meaningful society.



We develop unrivalled products for transforming our customers' organizations.

By developing essential intangibles into technologies, we help create a society in which as many people as possible can live a happy life.



We are committed to using Motivation Engineering to create a society where children can feel free to share their dreams with others.



# Organizational Development

Support for creating organizations that individuals choose (Motivation Companies)



"This is what we must do to create a more meaningful society."

Providing organizations and individuals with opportunities for transformation to resolve their problems and realize their wishes

Based on Motivation Engineering, our core technology, we operate three divisions in the fields of organizational development, individual development and matching. Our goal is to provide opportunities for transforming organizations and individuals.

## Matching

Providing opportunities to link organizations and individuals



IR BOOK 2023 Introduction



Support for creating individuals that organizations choose (i-Companies)

## Individual Development



# Expanding the Concept of a “More Meaningful Society” through Motivation Engineering, Our Core Technology

**Ozasa Yoshihisa**

Chairman and Representative Director  
Link and Motivation Inc.





Watch the video version of this message here. (Available in Japanese only) →

## What Is the “More Meaningful Society” We Aim For?

What kind of society is a “more meaningful society”? It may be difficult to envision. Suppose, for instance, the Earth were five minutes away from being destroyed. In that case, the question would have no meaning for this current message, or for you reading this. Paradoxically, one could say that a meaningful society is one where the future remains open, and where organizations and individuals are excited about this open future because of their dreams and sense of purpose. This is the “more meaningful society” we aim to create.

In more specific terms, for an organization, it means having common ground between a company’s management philosophy and mission and the ambitions and goals of its employees. This leads to a strong sense of empathy toward work—in other words, a high level of engagement. For individuals, it means working to improve their skills to achieve their ambitions and goals and feeling a sense of purpose in life and work. This is the society we aim for.

## Our Advantage

Motivation Engineering, which is our core technology, is our greatest strength. It brings together academic findings in areas including business administration, behavioral economics, social systems theory and psychology. Motivation Engineering ensures the practicality and reproducibility of the

organizational and individual transformations we produce. In addition, Motivation Engineering is driven by diagnostic and transformation technologies. We go beyond simple diagnostics to support a wide range of organizations and individuals in achieving transformation, improvement and growth based on the results of our diagnosis. Link and Motivation is the only company that can provide this one-stop service, which we consider our unique advantage.

## Going Forward

I feel that the times have finally caught up with the confident prediction I made when founding Link and Motivation about the coming importance of corporate investment in human capital.

I am also confident that our core Motivation Engineering technology is applicable not just in Japan but worldwide. I see a path opening up before us to further broaden our influence as we continue to refine and upgrade Motivation Engineering. The Link and Motivation Group will follow this path without hesitation to expand the concept of a “more meaningful society.”



## Key Points of IR Book 2023

Based on valuable feedback from shareholders and institutional investors, we have focused on our strategies for medium- to long-term growth and on Motivation Engineering, which is our core technology and the Link and Motivation Group's competitive advantage. We have also expanded the overview of all six businesses and included more information on sustainability.

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### Overview of the Link and Motivation Group's Information Disclosure

The Link and Motivation Group ("LMG") communicates with its stakeholders using diverse tools to disseminate information from a variety of perspectives.

Form of Disclosure		Content	
		Financial Information	Non-financial Information
<b>IR Book (Integrated Report)</b>	Contains information on LMG's management strategies, business activities and ESG initiatives, with the aim of deepening overall understanding of the economic and social value created by LMG	●	●
<b>Human Capital Report</b>	Covers LMG's approach to human capital management and results		●
<b>Securities Report (Japanese only)</b>	Pursuant to Japan's Financial Instruments and Exchange Act, the report contains a company overview, business condition and financial information such as financial statements, as well as non-financial information on the corporate governance system and other topics	●	●
<b>Financial Statements</b>	Contains quarterly financial information	●	
<b>Shareholder Report (Japanese only)</b>	Provides an overview of LMG's businesses, information on its human resources and other topics in addition to the Group's business results to help deepen shareholder understanding	●	●
<b>Corporate Governance Report (Japanese only)</b>	Contains information on LMG's corporate governance pursuant to the listing regulations of the Tokyo Stock Exchange		●

## Consolidated Financial Results

2023

Revenues: **¥33.9** billionOperating income: **¥4.6** billionRevenues: **¥12.8** billionGross profit: **¥9.0** billionEmployees: **622**Motivation Cloud Market Share  
for Six Consecutive Years**No. 1\***\* Source: ITR Corporation, ITR Market View: Human  
Resources Management Market 2023Employee engagement market: Sales volume  
and share by vendor (fiscal 2017 to fiscal 2022  
forecast)Organizational  
Development DivisionSupport for creating  
organizations that  
individuals choose  
(**Motivation Companies**)

Consulting &amp; Cloud Business

IR Support Business

Individual  
Development DivisionSupport for creating  
individuals that  
organizations choose  
(**i-Companies**)

Career School Business

Cram School Business

## Matching Division

Providing opportunities to link  
organizations and individuals

ALT Placement Business

Personnel Placement  
BusinessRevenues: **¥6.4** billionGross profit: **¥2.9** billionEmployees: **524**Career School Business Customer  
Satisfaction (Scale of 5)\***4.07**

\* Survey conducted in November 2023

Revenues: **¥15.3** billionGross profit: **¥6.3** billionEmployees: **322**One of Japan's Largest  
Databases of Employee Reviews  
and Evaluation Scores**16.2** million (cumulative)



Chapter

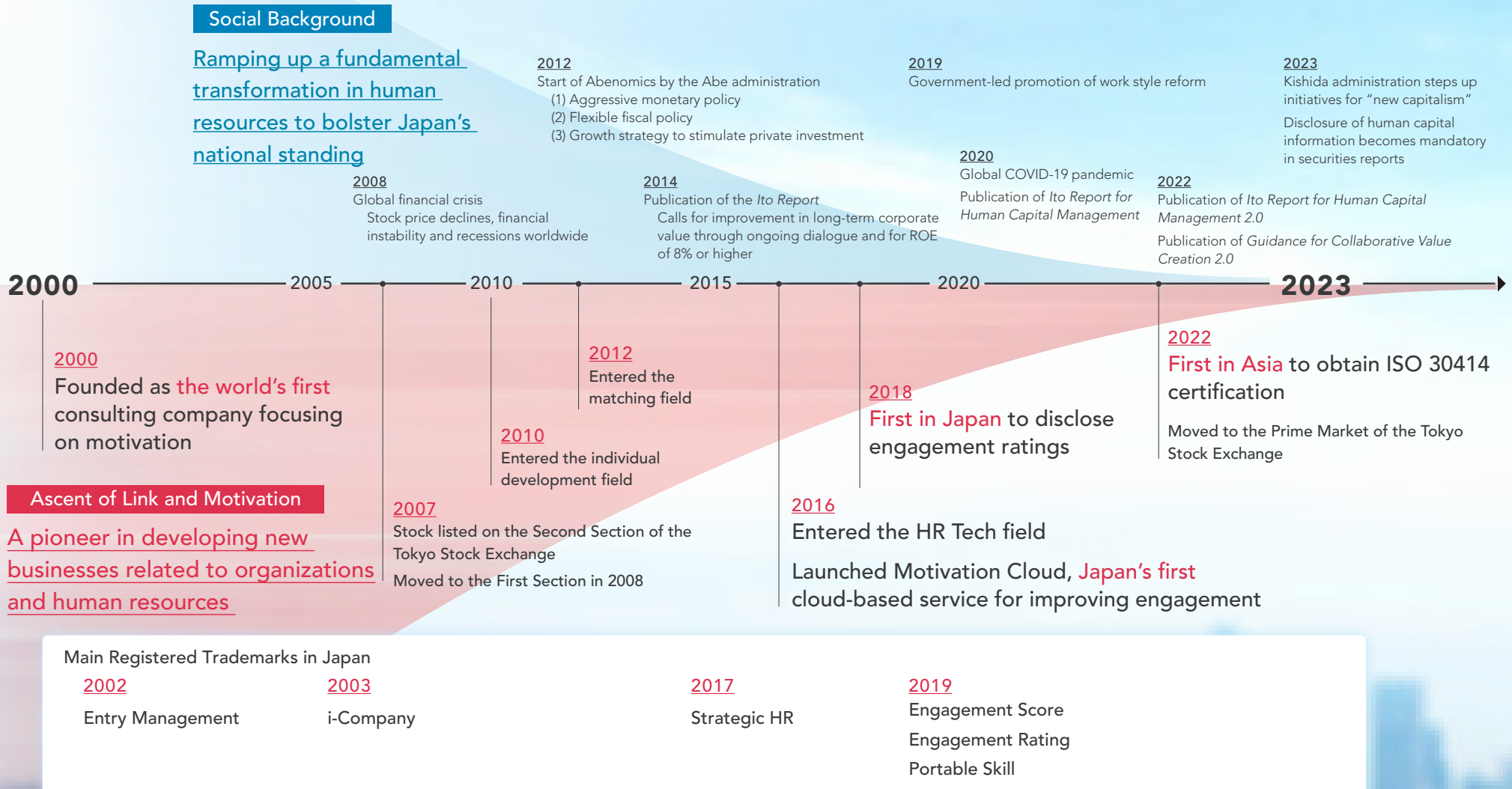
# 1

## The Link and Motivation Group's Value Creation

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## A History of Creating Value

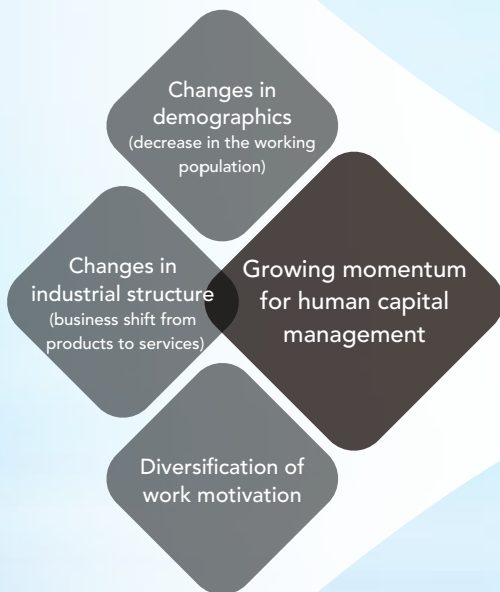
When Link and Motivation was founded, the English word “motivation” was still largely unknown in Japan. We were a forerunner in recognizing the importance of motivation as we pioneered this new era, in which human capital management has at last come to the fore.





The type of management capital that the Link and Motivation Group emphasizes most is human capital. Creating value together with stakeholders through a business model that fully utilizes our core technology of Motivation Engineering will lead to a more meaningful society.

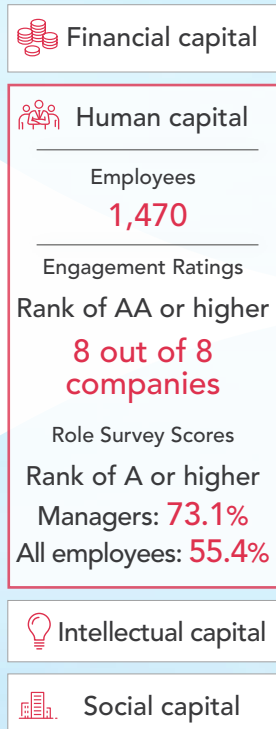
#### Changes in the Operating Environment



#### Main Types of Management Capital

**Organizational strategies to maximize human capital**

→ Pages 34-38



#### Business Activities

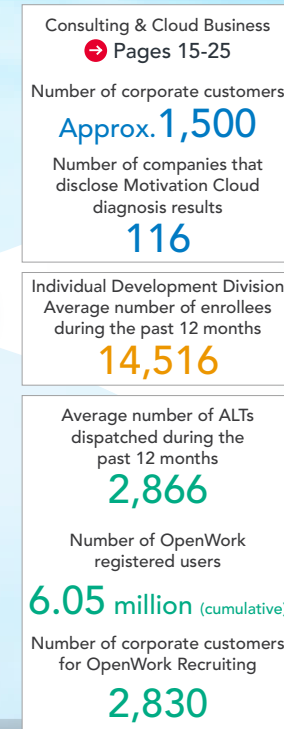
**Business strategies to maximize customer value**

→ Pages 27-33



#### Value Created

**Creating value together with our stakeholders**



#### Our Vision for Society

**A More Meaningful Society**

→ Pages 1-5

Value Creation Platform → Pages 40-45

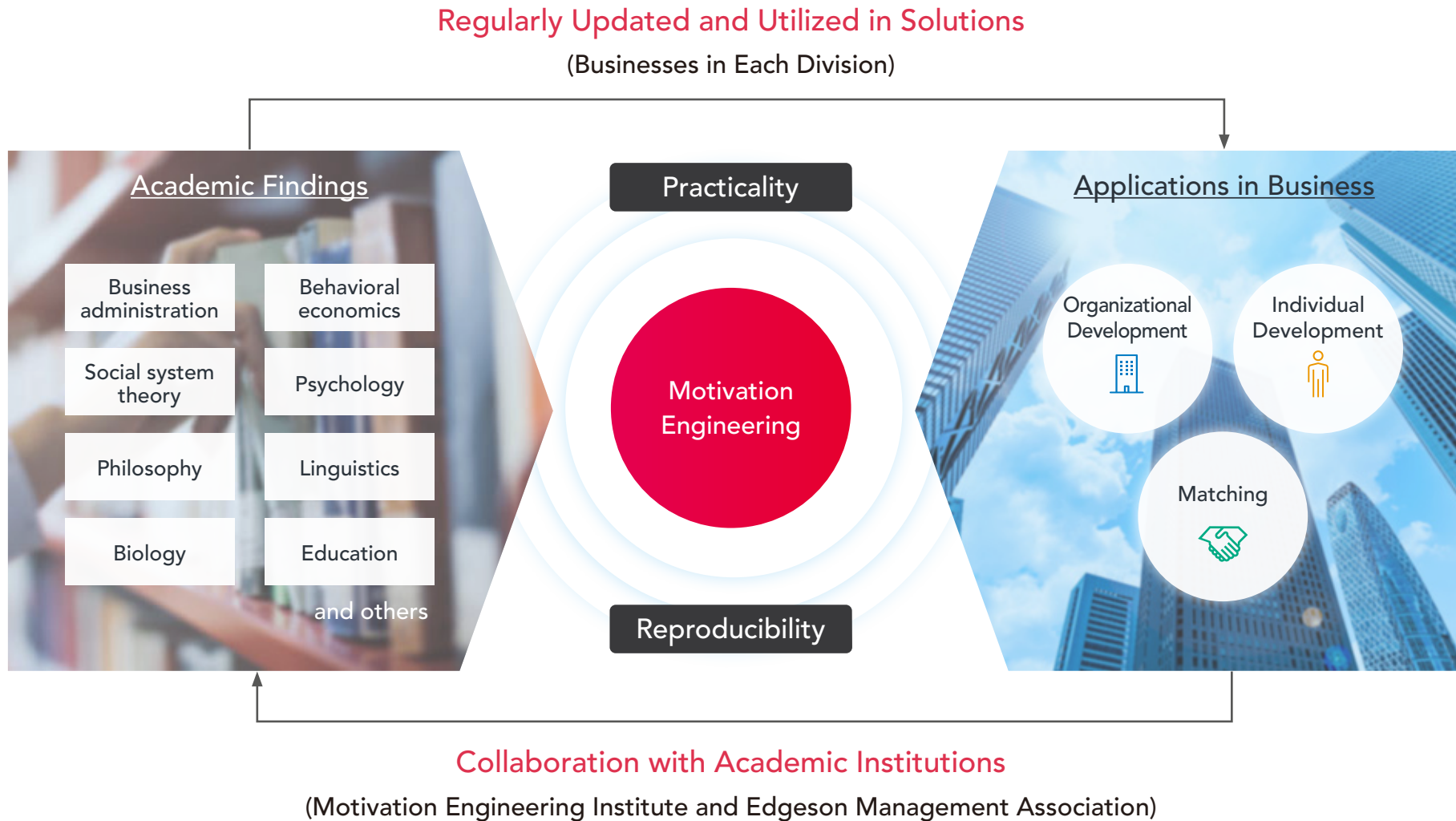
Note: As of December 31, 2023

## Close-Up: What Is Motivation Engineering?

Motivation Engineering is the core technology of the Link and Motivation Group. Based on a wide range of academic findings, it underpins all the Group's businesses.

Since our founding as a consulting company, we have developed Motivation Engineering with a deep commitment to continuously improving the practicality and reproducibility of its results, enabling us to roll out businesses in other fields such as the BtoC business and matching.

We will continue our collaboration with academic institutions to regularly update this technology and upgrade our products and services.





## Close-Up: The Approach Underlying the Link and Motivation Group's Business Creation

Motivation Engineering is premised on two basic approaches: a perspective of humans and a perspective of organizations.

The perspective of humans is based mainly on psychology, and views humans as emotional beings with limits to their rationality. The perspective of organizations is based mainly on social systems theory and behavioral economics, and views an organization as a cooperative system.

Designing all of our products and services in accordance with this unique approach gives them high levels of practicality and reproducibility.

### Perspective of Humans

Humans are not completely driven by economic rationality.  
They are emotional beings with limits to their rationality.



It is important to design opportunities that offer not only financial rewards but also emotional rewards.

#### Financial Rewards

Money/Position



+

#### Emotional Rewards

Desire for recognition  
e.g., awards for performance

Desire for contribution  
e.g., words of thanks

Desire for growth  
e.g., improvement in know-how and technique

Desire for fellowship  
e.g., good teamwork

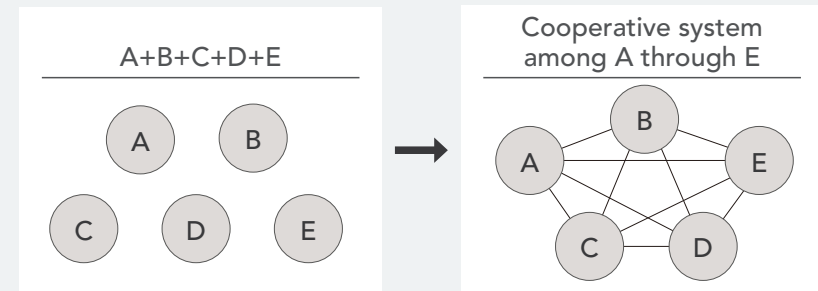
### Perspective of Organizations

An organization is a cooperative system that is not reducible to its constituent elements.



It is important to reduce complexity by understanding that problems are not in the people but in the gaps between them.

Example: Five-person organization



Communication Is the Lifeblood of an Organization

## Close-Up: Constituent Technologies of Motivation Engineering—Common Types across Business Fields

Motivation Engineering is driven by diagnostic and transformation technologies. Diagnostic technologies use our unique frameworks to identify customer problems, and the database on organizations and individuals that we have built up since our founding is one of the largest in Japan. Transformation technologies use our accumulated insights to resolve the problems we identify, and our ability to provide one-stop support for organizational and individual transformation is a distinctive feature.

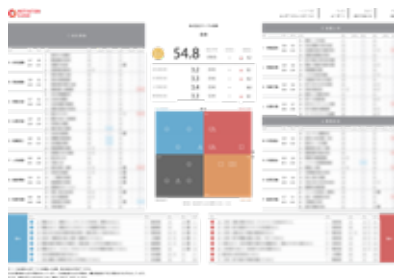
### Applications across the Link and Motivation Group's Business Fields

#### Diagnostic Technologies

For  
Organizations



##### Visualization of engagement



##### Organizational diagnostic data

Approx. **4.03** million  
respondents in

**11,360** corporate  
diagnoses

For organizational diagnosis, we use Motivation Cloud to identify the location and nature of issues in each organization and visualize the state of engagement.

#### Transformation Technologies

##### One-stop support for improving engagement



##### Recruiting

Strategic design, raising operational efficiency and improving recruiting capabilities



##### Training

Training by rank (new university graduates, mid-career employees, managers and executives) and training by theme



##### Systems

Personnel system design



##### Corporate Culture

General meetings of employees and anniversary events

For  
Individuals



##### Visualization of skills and motivation types



##### Individual diagnostic data

**720,000** people

Individual diagnosis covers motivation type and skills as well as learning level to present the optimal plan for each enrollee.

##### One-stop support from education/examinations and finding employment to changing jobs



##### Examinations

Operation of SS-1, a private instruction school for elementary school students, and Motivation Academia, a cram school for junior high and high school students



##### Finding Employment

Placement support for new university graduates through career advisors



##### Changing Jobs

Direct recruiting service using OpenWork and placement support through career advisors



## Chapter

# 2

## Growth Strategy Centered on the Consulting & Cloud Business

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**We are allocating management capital to the Consulting & Cloud Business to fulfill our mission.**

**Sakashita Hideki**

President and Representative Director  
Link and Motivation Inc.

### **A Time of Fundamental Corporate Change Driven by a Changing Labor Market**

I have been involved in organizational and personnel consulting since Link and Motivation was founded, and I feel that this field is on the verge of an unprecedented wave of change. Momentum for the promotion of human capital management is also increasing as disclosure of human capital information in securities reports becomes mandatory, among other factors. It is clear to me that companies will be forced to make fundamental changes.

Specifically, it is becoming progressively harder for a company to remain the choice of its employees and job applicants. This is the result of intensifying competition for capable human resources due to factors including a decline in the working population, a business shift from products to services, diversifying motivation toward work, and technological advances in AI. As a prerequisite for sustainably creating value, companies must make a meaningful effort to confront two issues—improving human

resource capabilities so that current employees can perform at their best, and improving engagement to retain and acquire human resources. When talking with senior management of leading companies, I find that many now consider human resources to be a core management issue, which is a dramatic difference from when Link and Motivation was founded.

### **A Thorough Focus on the Consulting & Cloud Business, Our Growth Driver**

Under these circumstances, our current policy is to focus on the Organizational Development Division's Consulting & Cloud Business, which has high growth potential. The number of companies the Consulting & Cloud Business supports has grown to approximately 1,500 in Japan, but considering that some 100,000 domestic companies have 50 or more employees, we see ample room for further expansion. The preeminence of the Link and Motivation Group's Consulting & Cloud Business stems from its ability to provide comprehensive support for human capital management throughout a cycle of identifying issues through diagnosis, transformation of those issues, and disclosure of the results of the transformation—all based on our core Motivation Engineering technology and vast amount of accumulated data and insights. Through support for the transformation of major domestic companies, our initial target, we want to play a role in returning Japan to its position as a global leader. We will also offer value worldwide by working to introduce our services at the overseas subsidiaries of global Japanese corporations, starting in Asia, where a rollout is already underway.

Finally, to bring about these changes, the Link and Motivation Group must demonstrate its own leadership in human capital management. We will continue to practice what we preach in order to capitalize on the current advantageous conditions and achieve dramatic growth.



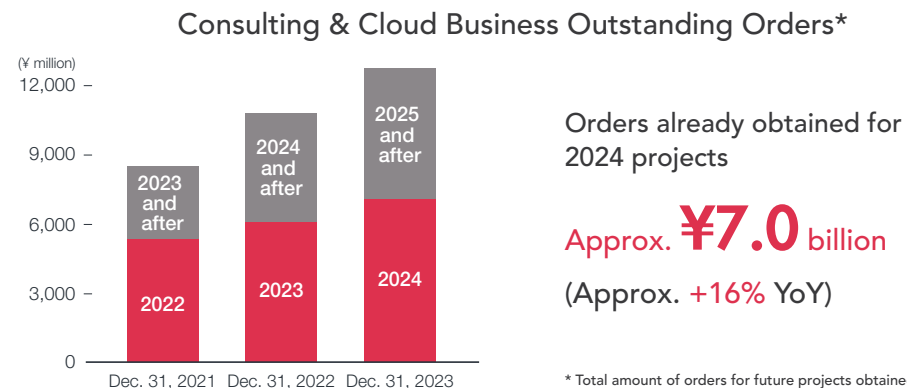
We are currently focusing on the Organizational Development Division's Consulting & Cloud Business, which has high growth potential, and working to expand the Motivation Cloud series as the foundation for substantial ongoing growth.



### 2024 Forecast

Organizational Development Division		Motivation Cloud Series
Revenues	Gross Profit	Monthly Fee Revenue
<b>¥15.0</b> billion	<b>¥10.6</b> billion	<b>¥530</b> million
<b>+16.4%</b> YoY	<b>+17.3%</b> YoY	<b>+24.0%</b> YoY

### Progress toward Target

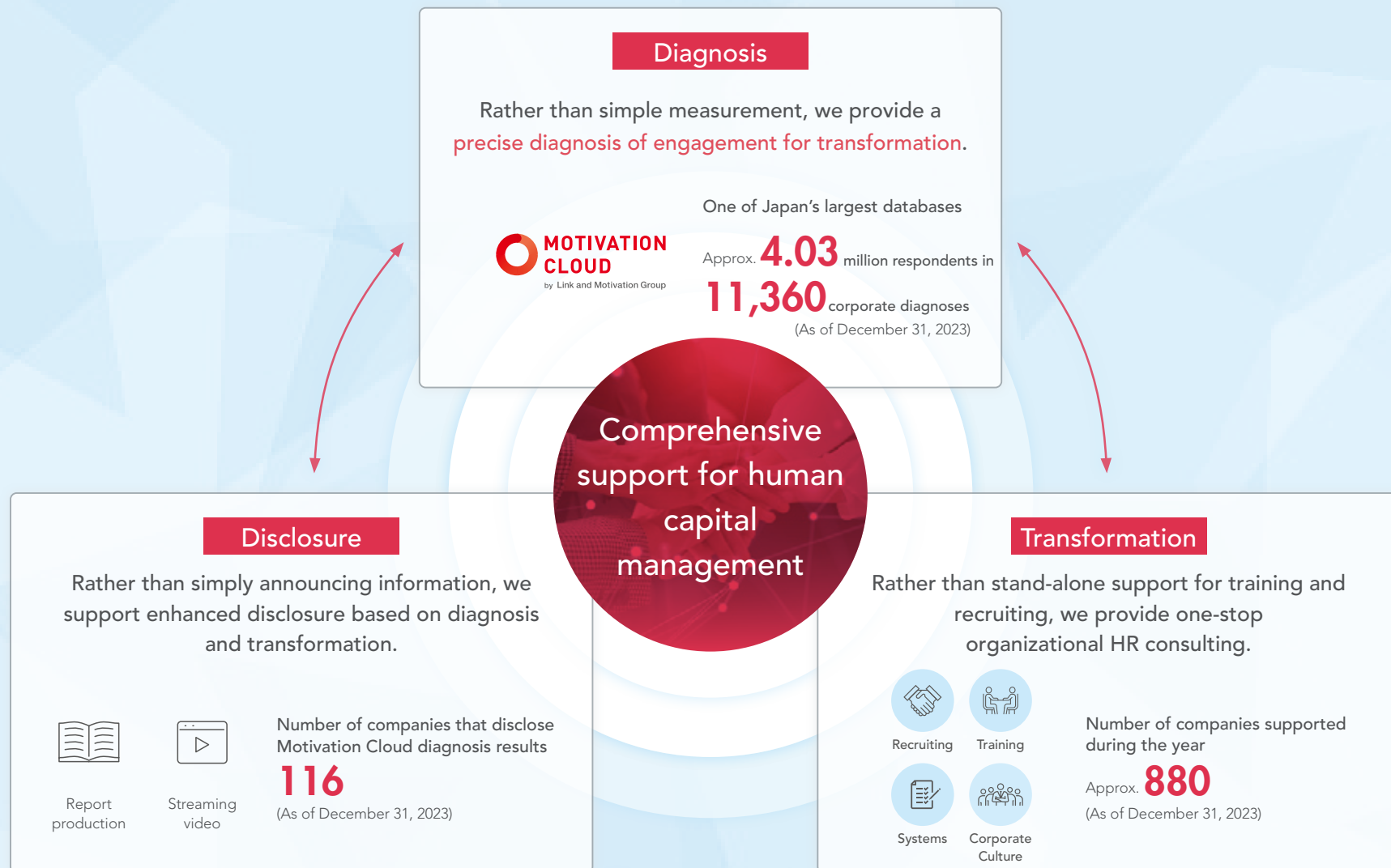


\* Total amount of orders for future projects obtained at a given point in time. Figures in the graph indicate the timing of delivery.

Remaining the choice of employees and job applicants has been increasing in importance and difficulty for companies, and this trend will continue to accelerate.

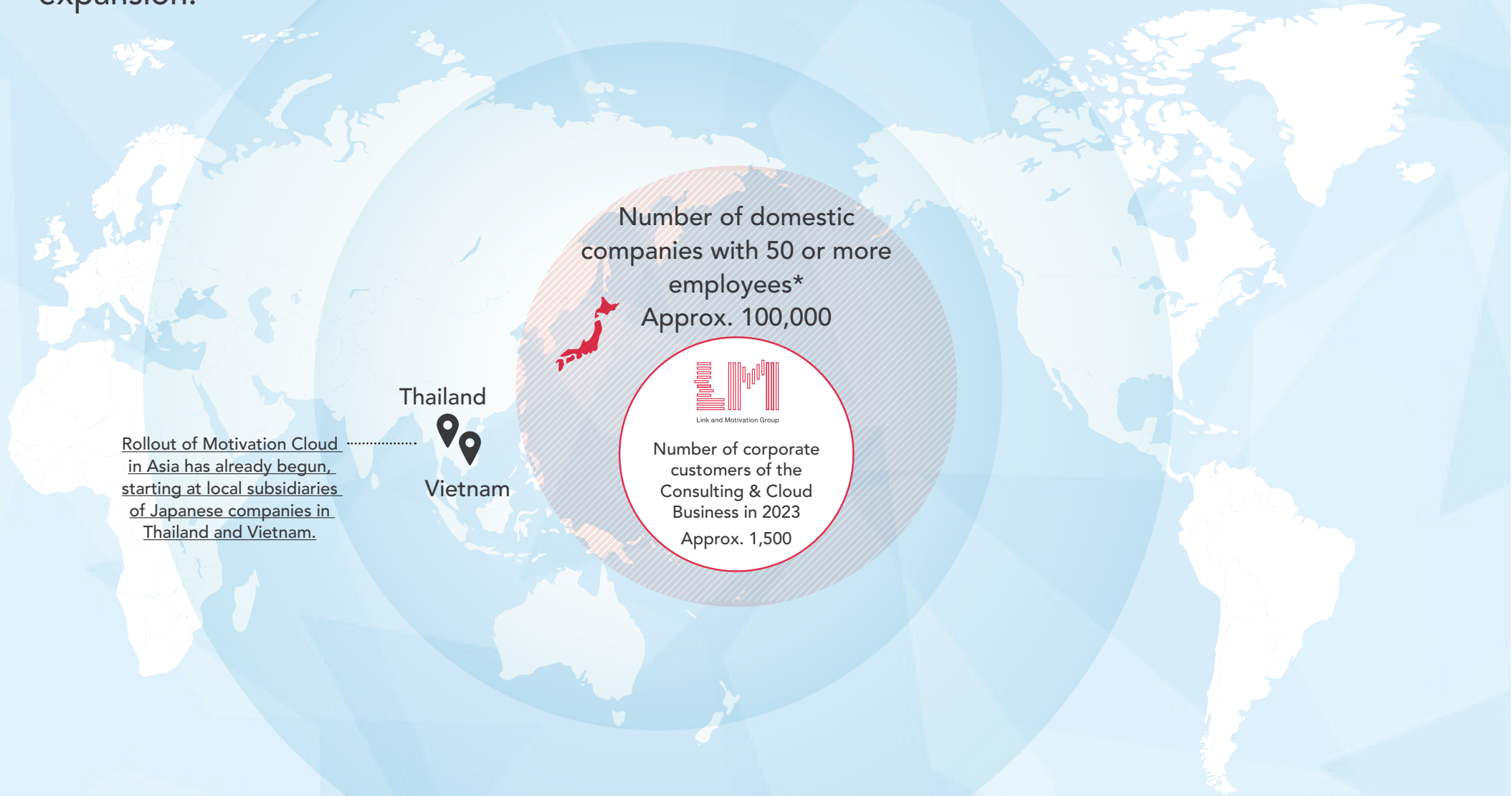


We demonstrate our superiority in providing comprehensive support for corporate human capital management through diagnosis, transformation and disclosure based on Motivation Engineering, the core technology we have cultivated since our founding.



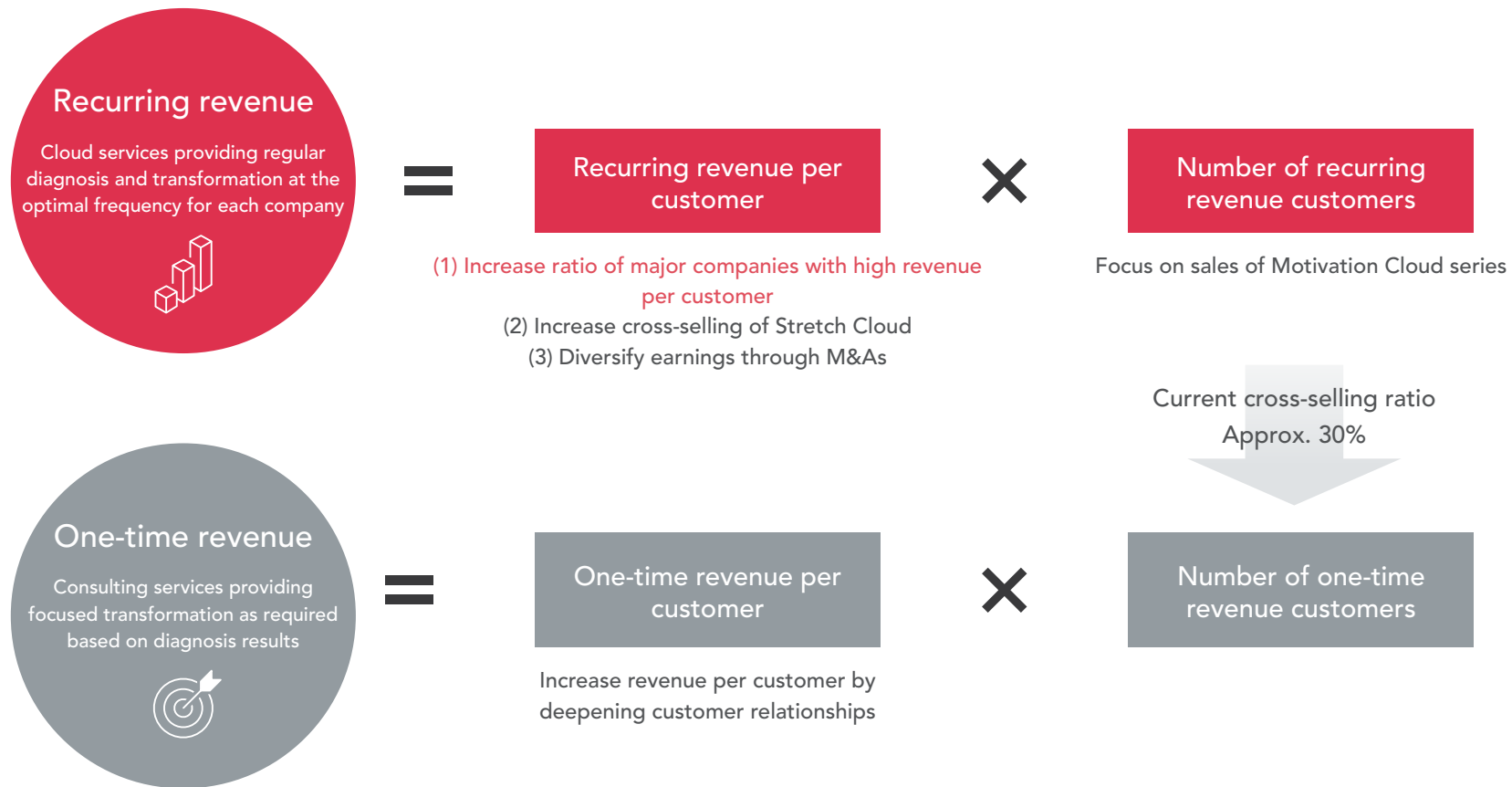


We are working to expand sales by focusing on major domestic companies that have substantial room for development. We will also roll out Motivation Cloud in Asia with a view toward global expansion.



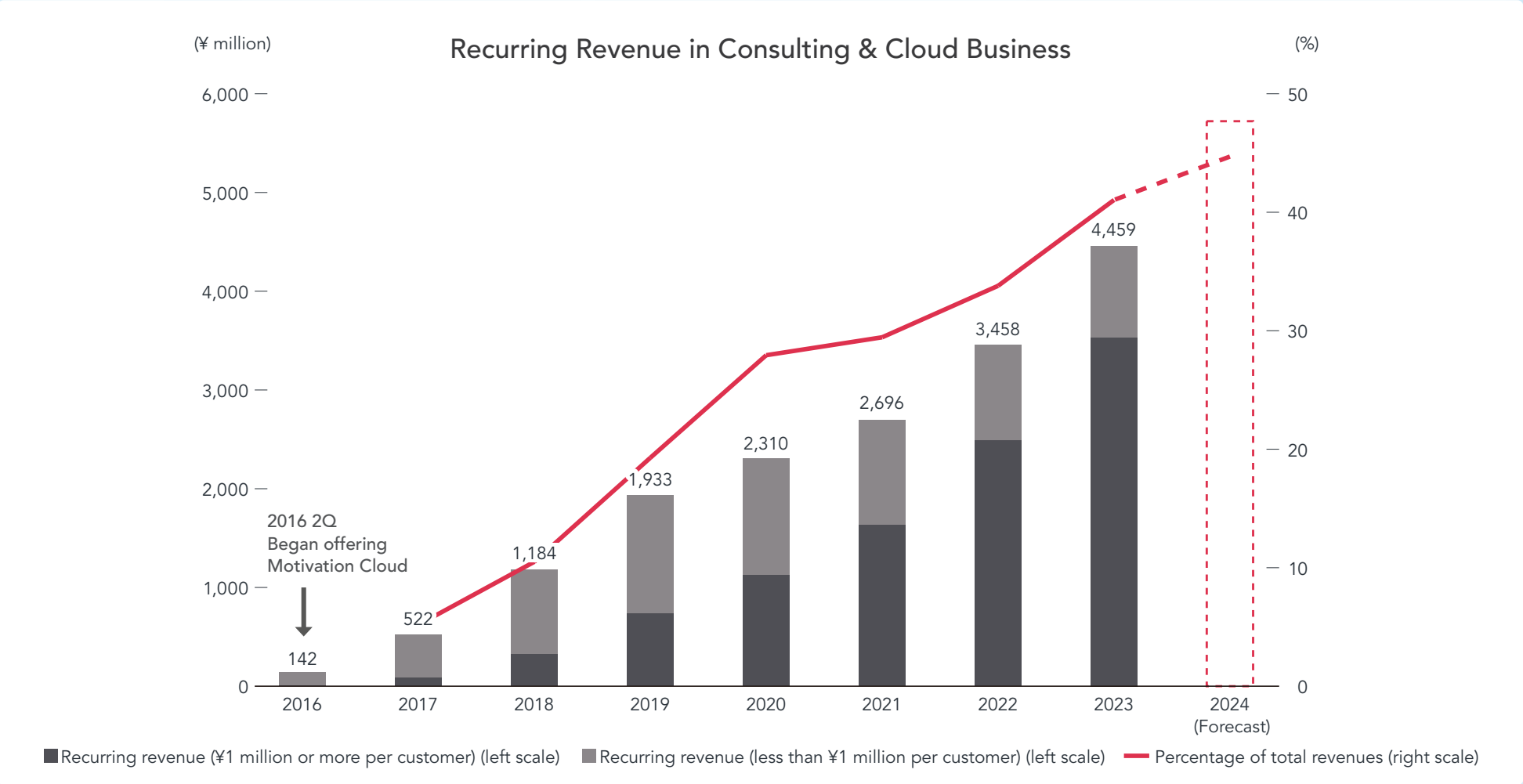
\* Determined based on 2021 Economic Census for Business Activity from the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry

By increasing revenue per customer and the number of customers for the Motivation Cloud series, we aim for growth in recurring (subscription) revenue by continuously providing products and services premised on long-term use.



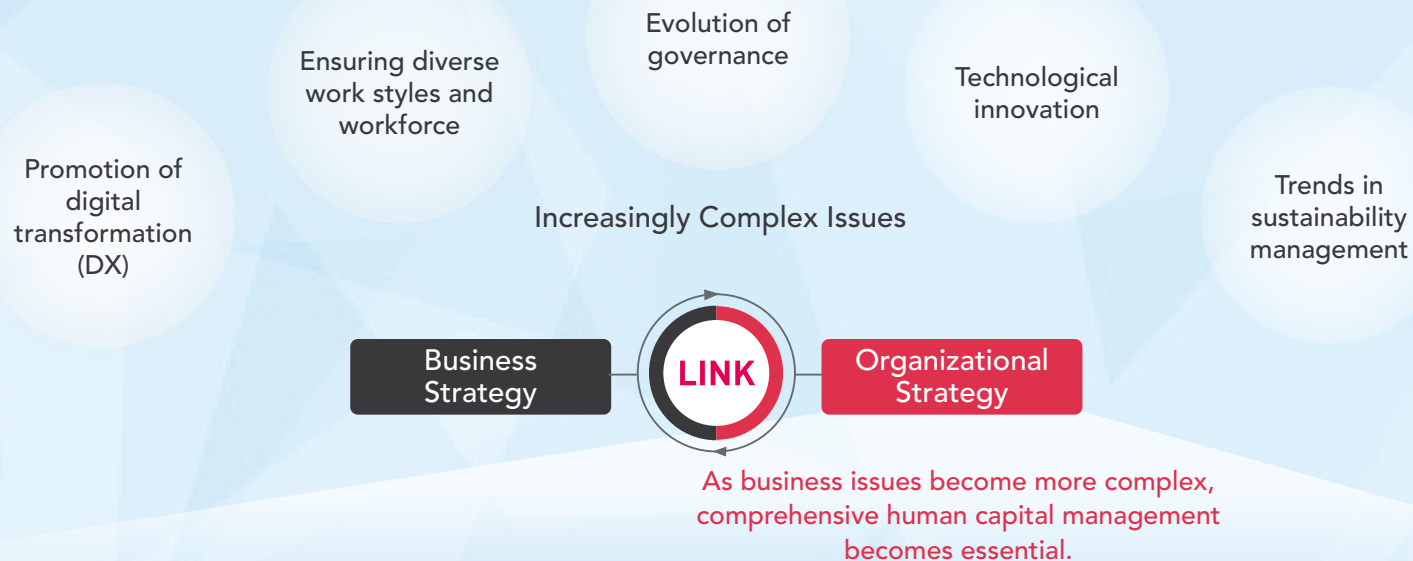
Increasing Recurring Revenue

In addition to introducing our services at major companies, we will ramp up growth in recurring revenue by cross-selling Stretch Cloud and diversifying earnings through M&As.





As business issues become more complex, demand is rapidly increasing for comprehensive support for organizational and personnel issues. We develop numerous top consultants by leveraging the knowledge we have cultivated since our founding.



We develop numerous top consultants who resolve complex organizational and personnel issues.



#### Recruiting

- Strengthen recruiting of human resources with high aptitude for consulting
- Maintain and increase sympathy with our philosophy



#### Training

- Add new employee training programs for rapid development of consultants



#### Systems

- Improve compensation for consulting specialists



#### Corporate Culture

- Introduce a new award system for projects that demonstrate the most value for customers during the year



**We are leading society by bringing Japan up to speed in the organizational and personnel sector.**

**Kawauchi Masanao**

Managing Director  
Link and Motivation Inc.

### **A Sense of Urgency and Responsibility to Adapt Corporate Management to a Rapidly Changing World**

I joined Link and Motivation in 2003 after graduating from university. At the time, in Japan the word “motivation” was only heard in the field of sports, but now it is common in corporate management, and the idea that the power of people and organizations is the most important aspect of corporate management has taken hold throughout society. I take pride in Link and Motivation’s contribution to this social trend. At the same time, I feel somewhat disconcerted because we have not yet been able to fundamentally change society at large. Over the past 20 years, waves of change have swept through the field of human resources in Japan, bringing in performance-based pay and work style reform. In each case, broadly speaking, Japanese companies have struggled to adapt. They merely copied or applied superficial elements, ignoring the essence of their objectives and reasons for changing, and as a result have not truly changed. No matter how many new technologies and ideas emerge, it is up to people and organizations to incorporate and utilize them. Now that changes more widespread and rapid-fire than ever before are bearing down on Japanese companies, will their people and organizations be able to change? I feel a sense of urgency and responsibility for Japan as it stands at a crossroads.

### **Increasing Recurring Revenue to Maintain Substantial Growth**

Link and Motivation’s Consulting & Cloud Business has been growing steadily by addressing these changes in the operating environment. However, considering the world we aim to create and the expectations of the market, I believe we must grow at a faster pace. The Consulting & Cloud Business generates two types of earnings: recurring revenue, mainly from cloud services that provide regular diagnosis and transformation at the optimal frequency for each company; and one-time revenue from consulting services that provide focused transformation solutions when the diagnosis results uncover issues that cannot be resolved through the cloud service. Increasing recurring revenue is a pressing matter, both to provide ongoing support for resolving corporate organizational issues, and to reinforce the foundation for achieving substantial growth. In addition to broadening support for and increasing the number of customers for our services, we will focus on improving total revenue per customer by increasing the ratio of major companies (with high revenue per customer), conducting cross-selling among our cloud-based services, and diversifying earnings through M&As.

### **Driving the Future of Link and Motivation**

Motivation Cloud has grown steadily since its launch in 2016 as Japan’s first cloud-based service for organizational improvement. However, Japan is thought to lag 10 years behind the United States in the HR Tech field. We must establish a greater presence as a pioneer in organizational and personnel consulting, and I strongly feel that employees of my generation must be the ones to lead Link and Motivation in doing so. While treasuring our accomplishments, we will continue taking on new challenges as the drivers of further growth with the determination to change the world.

## Close-Up: Motivation Engineering in the Consulting & Cloud Business

Since our founding, we have developed a wide range of products and services based on academic findings in our Consulting & Cloud Business.

For example, even individual programs used in training are developed with a thorough grounding in academic findings to support a real transformation for customers. In this way, the high levels of practicality and reproducibility lead to a high repeat rate.

### Perspective of Humans

Humans are not completely driven by economic rationality.  
They are emotional beings with limits to their rationality.



Because people are emotional beings, it is important to take a step to “unfreeze” them rather than forcing a sudden change.

#### Example: First part of management training

##### Blind Square

All members other than the instructor are blindfolded and do not know what to do. The instructor then gives directions to the members so that they form a single shape using a rope.

- Facilitates understanding of the different positions of managers who have objectives, methods and information, and members who do not
- Hands-on experience that demonstrates members’ motivation decreases when they do not know their objective

Psychologist Kurt Lewin: Three-stage model of attitude change  
Unfreeze → Change → Refreeze

### Perspective of Organizations

An organization is a **cooperative system** that is not reducible to its constituent elements.



As it is a collaborative system, problems tend to arise in the gaps between people, such as misunderstandings between departments. It is important for managers to play the role of a “junction point” connecting departments.

#### Example: 360-degree manager survey

##### 360-degree Survey

Supervisors and team members rate their levels of expectation and satisfaction for four items required of managers: providing information, gathering information, making decisions, and providing support.

- To visualize the level of relationships of trust, everyone takes the survey (a co-worker version or a supervisor version).
- Items are positioned as points on the upper, lower, left, and right sections of two axes.
- Co-workers and supervisors attend a meeting to share results

Sociologist Niklas Luhmann: The ultimate function of social systems is to reduce complexity and build relationships of trust. (paraphrasing)



Close-Up: Practicality and Reproducibility of Motivation Engineering in the Consulting & Cloud Business

The Consulting & Cloud Business provides support to approximately 1,500 companies in Japan (as of December 31, 2023), and has received positive feedback from many customers for its practicality.

We continue working to increase practicality and reproducibility through technological development by the Motivation Engineering Institute.

Corroboration of Practicality

Customer Feedback

- In addition to consulting on the indicators we use in disclosure, Link and Motivation also helped us set up core measures and KPIs, looking ahead to implementation and improvements after disclosure. In short, it was everything we needed.
- There really wasn't any other company in our industry that explained its businesses and organizations from the perspective of its corporate philosophy to the extent we did, so I think Link and Motivation helped us communicate our uniqueness. The experience also served as a reference for how we formulate our policies for developing human resources and make in-house improvements to our securities report.
- Thanks to the support Link and Motivation provided for disclosure in our medium-term management plan, our price-to-book ratio rose above 1.0. We also received practical support for improving the indicators we disclosed in areas including revising our personnel system, strengthening management and devising recruiting strategies, so we are very grateful.

Best Motivation Company Awards



The Best Motivation Company Awards are an event that recognizes companies with high engagement scores. Since we inaugurated the event in 2011, numerous companies have won awards, demonstrating that they have used our services to transform their organizations. They also use the award in branding when conducting human capital management, and we share the initiatives of award-winning companies in helping to build organizations at other participating companies.

2024 Award Winners

Major Companies Category

- 1st place: SBC Medical Group Holdings, Inc.
- 2nd place: Marubeni Corporation
- 3rd place: The San-in Godo Bank, Ltd.

Medium-sized Companies/Startups Category

- 1st place: KOSHO CORPORATION
- 2nd place: PROGRIT Inc.
- 3rd place: NorthSand, Inc.

Initiatives to Increase Practicality and Reproducibility

Motivation Engineering Institute

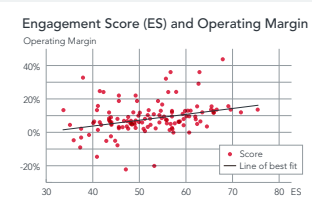
The Motivation Engineering Institute develops management technologies, products and services through advances in Motivation Engineering, and continues to seek out and deepen insights by combining academic findings with praxis, both inside and outside the Company. Our total commitment to practicality and reproducibility in product development means that we provide customers with only those products and services that have been applied in-house and shown to be effective.

Product development	We focus on developing unique solutions, and provide customers with new products and services that have been tested in-house and shown to be effective.
Human resource development	We are actively involved in popularizing Motivation Engineering through methods including study sessions held by Chairman Ozasa.
Technology development	We collaborate with industry, government and academia to develop management technologies based on Motivation Engineering and to conduct research studies.

Representative Research

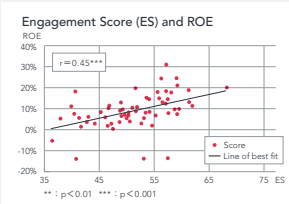
Results of Research on Engagement and Corporate Performance

Joint research with the Iwamoto Laboratory at Keio University's Graduate School of Business Administration showed that the higher a company's level of engagement, the higher its labor productivity and operating margin. These results are also published in the *Report of the Study Group on Improvement of Sustainable Corporate Value and Human Capital* (known as the *Ito Report for Human Capital Management*).



Results of Research on Engagement and Investment Metrics

We found that companies with higher engagement scores tend to perform better in terms of the investment metrics ROE, ROIC and PBR.



Source: Link and Motivation Inc., *Research Results on Engagement and Corporate Performance* and *Research Results on the Relationship between Employee Engagement and Investment Metrics*

Chapter

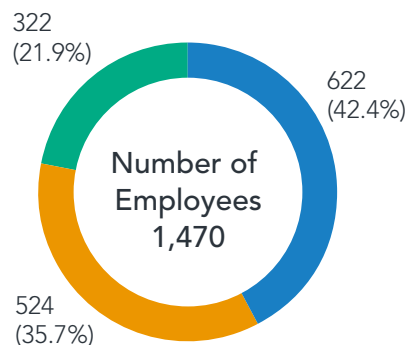
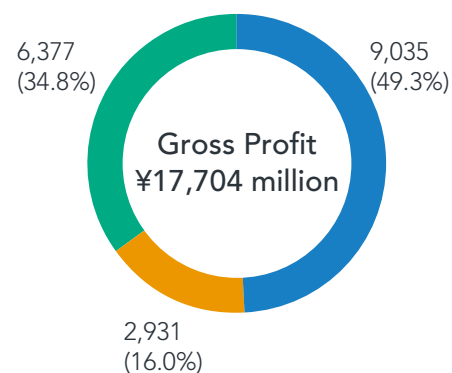
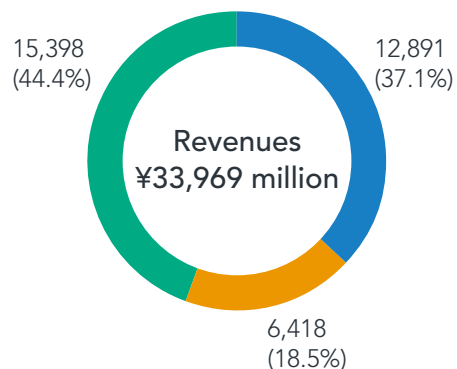
# 3

## Businesses and Organizations of the Link and Motivation Group

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## Overview of Businesses

## 2023 Business Results



Notes: 1. Revenues and gross profit for each division include interdivisional transactions.  
2. Number of employees includes two employees in a business segment that is not included in the reportable segments.

## Business Domains

## Organizational Development Division



## Consulting &amp; Cloud Business

## One-stop support for improving employee engagement

We supply corporate clients with diagnostic and transformation solutions that improve human resource capabilities and employee engagement.

## IR Support Business

## One-stop support for corporate branding

We help companies build their corporate brand with support for a range of IR-related media and events.

## Individual Development Division



## Career School Business

## A network of comprehensive career schools for working professionals that make it easy to maintain study habits

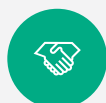
Through our one-stop support for computer skills, programming ability, acquisition of qualifications and language learning, we help working professionals advance their careers.

## Cram School Business

## A network of examination preparatory schools for elementary, junior high and high school students. These schools support the cultivation of human resources that play an active role in society.

Based on Motivation Engineering, this business supports elementary, junior high and high school students in developing skills for improving academic performance and playing an active role in society.

## Matching Division



## ALT Placement Business

## Matching services that place talented individuals from overseas seeking to work in Japan at companies and educational institutions

We provide matching opportunities linking Japanese companies and talented individuals from overseas, ranging from the placement of assistant language teachers at elementary, junior high and high schools in Japan to referrals to Japanese companies looking for such individuals.

## Personnel Placement Business

## Matching services that help domestic human resources find satisfying work

We provide a range of matching opportunities, including referral of university graduates and mid-career employees, as well as an information platform for career change and job search.



Making Major Strides As a Growth Driver for the Group

The Consulting & Cloud Business is a growth driver for the Link and Motivation Group, and we are committed to allocating management capital to the business. Growth in 2023 slowed temporarily as companies were forced for the first time to deal with newly mandatory human capital disclosure. However, needs for organizational improvement that have been increasing from the second half of the year are expected to support growth going forward. By making major strides in this business, which was our founding business and maintains exceptionally strong competitive advantages, we continue to drive the expansion of the Group.

Market Environment

- Fiscal 2022 corporate training services market: ¥537 billion<sup>1</sup>
- Employee engagement market CAGR (Fiscal 2021-2026): 24.8%<sup>2</sup>

Sources:  
1. Yano Research Institute Ltd., Survey of Corporate Training Service Market (2023)  
(Announced on October 27, 2023, based on company net sales)  
2. ITR CORPORATION, ITR Market View: Human Resource Management Market 2023,  
Employee Engagement Market Size and Forecast (Fiscal 2020-2026/Sales amount)  
Note: Fiscal years in Japan refer to April 1 to March 31 of the following year.

Competitive Advantages

- Comprehensive support for human capital management through a cycle of diagnosis, transformation and disclosure
- Knowledge and a database accumulated over 20 years since our founding

Opportunities

- Growing momentum for human capital management
- Mandatory disclosure of human capital information in securities reports

Challenges for Growth

- Increasing recurring revenue per customer (increase in the ratio of major companies with high revenue per customer)
- Increasing one-time fee revenue per customer (increase profitability by deepening customer relationships)

Basic Data

Consulting

Services Provided

- Recruiting: Strategy design, operational efficiency improvement and enhancement of recruiting capabilities
- Training: Training by rank (new university graduates, mid-career employees, managers, executives) and training by theme
- Systems: Personnel system design
- Corporate Culture: Employee general meetings and anniversary events

End Users

Mainly employees, through the HR, corporate planning or other departments of customer companies

Delivery Methods

Face-to-face  
Online

Priority Area

Cloud

Motivation Cloud Series



Mainly employees, through the HR, corporate planning or other departments of customer companies

Cloud-based services  
(Subscription services)

Revenues (2023)

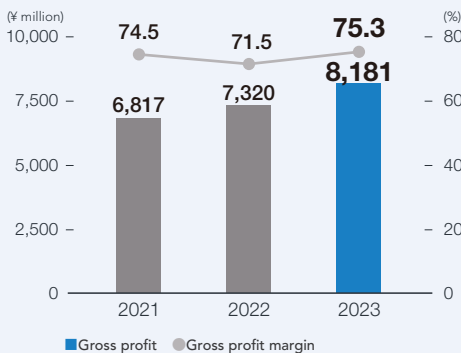
- Consulting: ¥6,195 million (-6.7% YoY)
- Cloud-based services: ¥4,671 million (+30.0% YoY)

Main KPIs

- Consulting & Cloud Business revenues
- Average revenues per customer
- Motivation Cloud series monthly fee revenue

Profitability

Gross Profit/Gross Profit Margin



The gross profit margin has been improving as the proportion of cloud-based services has increased since the launch of Motivation Cloud in 2016.

Growth Potential

3-year CAGR (2021-2023)

8.9%

Stability

Motivation Cloud market share for 6 consecutive years<sup>3</sup>

No.1<sup>3</sup>

Source:  
3. ITR CORPORATION, ITR Market View: Human Resource Management Market 2023, Employee Engagement Market: Sales and Share by Vendor (Fiscal 2017-2022 Forecast)

## Aiming for Steady Growth Backed by Mandatory Disclosure of Human Capital Information

Rising needs for disclosure of non-financial information have led to substantial growth over the past few years in production of integrated reports, a core service of this business. Collaboration with the Consulting & Cloud Business is also ramping up now that disclosure of human capital information in securities reports has become mandatory. As of December 31, 2023, 116 companies have disclosed the results of their Motivation Cloud diagnosis conducted by Link and Motivation, and engagement-related disclosure is making steady inroads. The business aims for steady growth by further improving productivity.

### Market Environment

- Number of companies issuing integrated reports in 2022: 884\*

Source:

KPMG Sustainable Value Services Japan, *Survey of Corporate Reports in Japan 2022*

\* The number of issuing companies is based on Corporate Value Reporting Lab's, *List of Organizations in Japan Engaged in the Publication of Self-Declared Integrated Reports, 2022 Edition*.

### Competitive Advantages

- Next step in the sequence after diagnosis and transformation by the Consulting & Cloud Business

### Opportunities

- Rising demand for disclosure of non-financial information
- Rapid increase in number of companies issuing integrated reports

### Challenges for Growth

- Rapid, substantial improvement in productivity

### Basic Data

#### Services Provided

- Production of various reports
  - Priority area** Integrated reports
  - Shareholder reports
  - Human capital reports and others
- Streaming video
  - Financial results briefings
  - Briefings for individual investors
  - General meetings of shareholders

#### End Users

Investors through corporate IR

#### Delivery Methods

Production of printed materials and websites, and video production and streaming

#### Revenues (2023)

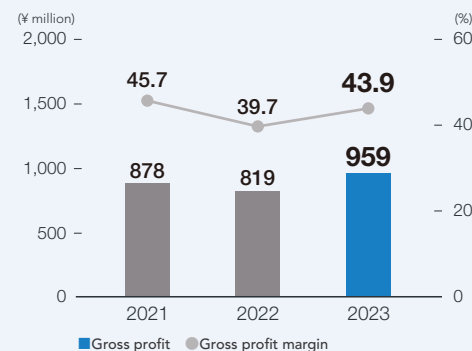
- ¥2,187 million (+5.9% YoY)

#### Main KPI

- Sales of integrated reports (figure not disclosed)

### Profitability

#### Gross Profit/Gross Profit Margin



The gross profit margin has risen due to improved productivity.

### Growth Potential

3-year CAGR (2021-2023)

6.7%

### Stability

Number of corporate customers in 2023

334

## Improving Profit Margins by Moving Services Online

To adapt to changes in learning needs during the COVID-19 pandemic, since the third quarter of 2022 this business has been restructuring by relocating or closing brick-and-mortar schools and moving its services online. As it reduced the number of schools from 81 at the start of restructuring to 53, revenue from online courses sales grew 58.3% compared with the previous year. The business also improved operating efficiency faster than expected. In 2024, it is aiming to further improve operating efficiency while maintaining revenues by expanding the online services it provides.

### Market Environment

- Estimated market size of e-learning (BtoC) in Japan in fiscal 2022: ¥263.0 billion

Source: Yano Research Institute Ltd., *E-Learning & Digital Education Business 2023* (issued on April 11, 2023, based on provider net sales)

### Competitive Advantages

- Ability to provide a wide range of learning opportunities in areas ranging from IT to preparation for obtaining qualifications and language skills

### Opportunities

- Popularization of online courses

### Challenges for Growth

- Increase the sales ratio of online courses

### Basic Data

- Brands Provided** »
- Aviva personal computer schools
  - Daiei qualification schools
  - Foreign language schools
  - Rosetta Stone Learning Center
  - Rosetta Stone Premium Club
  - Hummingbird

**AVIVA**  
パソコンスクール アビバ

**Rosetta Stone**  
Learning Center

**DAIEI**  
資格スクール 大栄

**ハミングバード**  
Rosetta Stone Learning Center

**End Users** » Working adults aiming for career advancement and university students

**Delivery Methods** » 53 schools throughout Japan

**Priority area** Online courses

### Revenues (2023)

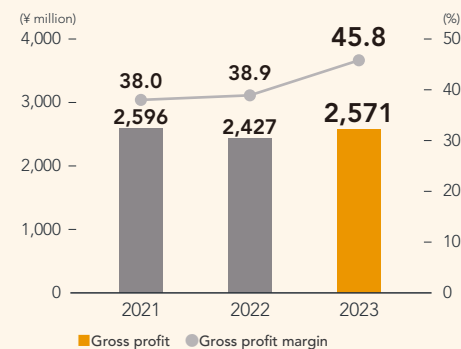
- ¥5,616 million (-10.0% YoY)

### Main KPIs

- Average number of enrollees/Average revenues per enrollee
- Online course revenues

### Profitability

#### Gross Profit/Gross Profit Margin



Restructuring by relocating or closing brick-and-mortar schools and moving services online to adapt to changes in learning needs during the COVID-19 pandemic has substantially improved the gross profit margin at a faster than expected pace.

### Growth Potential

3-year CAGR (2021-2023)

**-9.3%**

### Stability

Average LTV over the past 12 months\*

**¥565,014**

\* LTV (Lifetime value) = Average purchase price per customer x Average number of purchases x Average number of continuous years

Aiming for Stable Growth by Increasing Enrollees and Improving the Retention Rate

The number of enrollees grew substantially in 2023 due to an increase in enrollments through referrals, among other factors. The Cram School Business operates two brands—SS-1 for elementary school students and Motivation Academia for junior high and high school students—making its ability to provide continuous learning a distinctive feature of the business. It will continue to increase the number of new enrollees by providing value to a wide range of students through online classes, in addition to improving the retention rate of enrollees after they take the junior high school entrance exam.

Market Environment

- Fiscal 2020 cram school/preparatory school market: ¥924.0 billion
- Source: Yano Research Institute Ltd., *Cram School and Preparatory School Market 2021* (issued on September 6, 2021, based on operator net sales)

Competitive Advantages

- Support that goes beyond exam preparation to help people acquire skills of use in society, following diagnosis to identify each individual's issues

Opportunities

- Growing market share for the individual instruction method
- Expanding scope of needs for learning

Challenges for Growth

- Revamping the sales system to increase enrollment rate
- Improving the retention rate

Basic Data

SS-1

Individualized instruction school for students preparing for the junior high school entrance exam

Brands Provided »

SS-1

Motivation Academia

Cram school that nurtures human resources who can succeed in society



End Users »

Elementary school students

Junior high and high school students

Delivery Methods »

Brick-and-mortar schools (9 schools, mainly in Tokyo)

Priority area

Online courses

Revenues (2023)

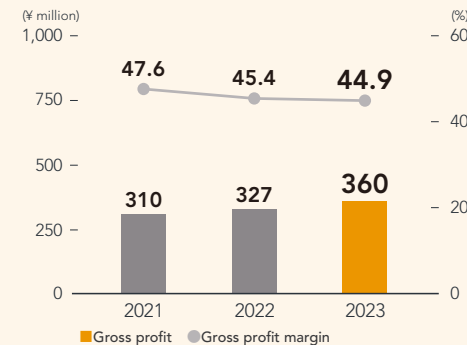
- ¥801 million (+11.3% YoY)

Main KPI

- Average number of enrollees

Profitability

Gross Profit/Gross Profit Margin



There have been no major trend changes. The business will work to increase operating efficiency by continuing to offer online courses.

Growth Potential

3-year CAGR (2021-2023)

10.9%

Stability

Percentage of students attending Motivation Academia after SS-1

17.3%



Aiming for Steady Growth amid Severe Competition

Revenues in 2023 were flat due to the severe competitive environment resulting from the requirement for social insurance coverage for assistant language teachers (ALTs), as explained on the right. However, competition is expected to ease during 2024 due to the further expansion of the scope of coverage in October 2024. The business aims to recover revenue and expand market share by leveraging its strength as the leader in dispatching high-quality ALTs while also moving online and utilizing information and communications technologies.

Market Environment

- In October 2022, a law came into effect making it mandatory for part-time workers, including ALTs, to be covered by social insurance. Link Interac Inc., which operates the ALT Placement Business and dispatches the largest number of ALTs in Japan's private sector, was among the initial group of companies subject to the law, making its operating environment more challenging. However, conditions are expected to improve when the law's scope of application is extended to all companies in October 2024.

Competitive Advantages

- A customer base built over 50 years and employment of ALTs with a high level of engagement

Challenges for Growth

- Reviewing investment allocation to sales in order to acquire large-scale projects and increase repeat business
- Responding to diversifying customer needs

Opportunities

- Popularization of English language classes in school education
- Advances in establishing an environment for online classes at schools

Basic Data

Services Provided

Dispatch of high-quality non-Japanese human resources, mainly to elementary, junior high and high schools

End Users

Local governments and private schools

Delivery Methods

Classes are generally held face-to-face  
Note: Also expanding online services to meet customer needs

Features

■ Acquisition and development of capable human resources

- Year-round hiring at three recruiting bases outside Japan

■ Support system utilizing a nationwide network

- Collection of information from educational sites nationwide
- Regular training for ALTs
- Support for handling the necessary matters in daily life
- Proposals for new lessons in collaboration with textbook publishers

Revenues (2023)

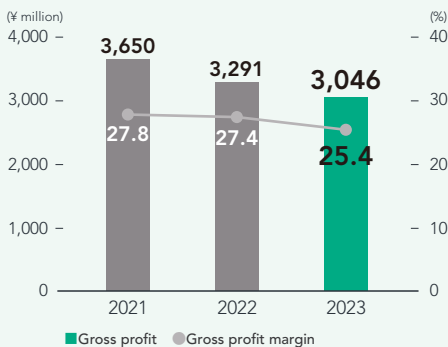
- ¥12,011 million (+0.0% YoY)

Main KPIs

- Market share
- Average number of ALTs dispatched

Profitability

Gross Profit/Gross Profit Margin



Although gross profit has decreased due to the impact of higher costs for social insurance premiums, improvement is expected in 2024 due to increased revenues as the competitive environment eases.

Growth Potential

3-year CAGR (2021-2023)

-4.3%

Stability

Market share among private companies

No. 1\*

\* LMG survey

Ramping Up Investment in Marketing in Expectation of Continuing Rapid Growth

Core business OpenWork Recruiting is growing rapidly, backed by a brisk market for changing jobs. This business will continue to invigorate matching, as well as increase its customer base of both people changing jobs and companies looking to hire them. Continued growth is expected in 2024 due to efforts to encourage current users to register their resumes. To increase recognition as a matching site, the business is also stepping up promotional activities to attract users with a strong desire to change jobs.

Competitive Advantages

- Fiscal 2022 white-collar employment agency market: ¥351.0 billion
- Source: Yano Research Institute Ltd., *Human Resources Business 2023* (issued on October 20, 2023, based on company net sales)

Competitive Advantages

- High-engagement matching using one of Japan's largest platforms for high-quality online reviews

Opportunities

- Increasing labor mobility
- Popularization of reading online reviews when finding or changing jobs

Challenges for Growth

- Number of resumes registered online
- Increasing the number of job openings

Basic Data

	OpenWork	OpenWork Recruiting	Recruiting Agency
Services Provided	Operation of online review site Employee reviews/Evaluation scores: 16.2 million* Cumulative registered users: 6.05 million*	Contingency fee-based employment support service Number of online resume registrations: 1.01 million* Number of companies under contract: 2,830*	
End Users	Individuals seeking employment or considering changing jobs	Individuals seeking employment or considering changing jobs Companies seeking to hire human resources	Individuals seeking employment or considering changing jobs Companies seeking to hire human resources
Delivery Methods	Online review platform OpenWork	Online review platform OpenWork	Placement support through career advisors

\* As of December 31, 2023

Revenues (2023)

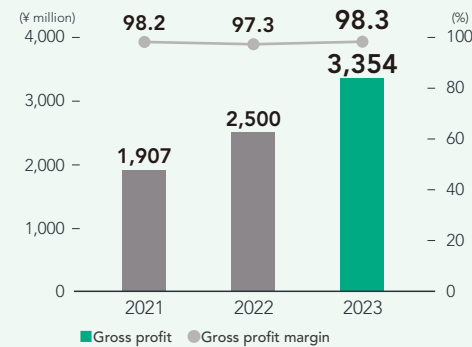
- ¥3,411 million (+32.7% YoY)

Main KPIs

- Number of registered users of OpenWork/Number of employee reviews and evaluation scores (cumulative)
- Number of companies under contract with OpenWork Recruiting

Profitability

Gross Profit/Gross Profit Margin



Due to the highly profitable model of the OpenWork platform, the business maintains a high gross profit margin above 95%.

Growth Potential

3-year CAGR (2021-2023)

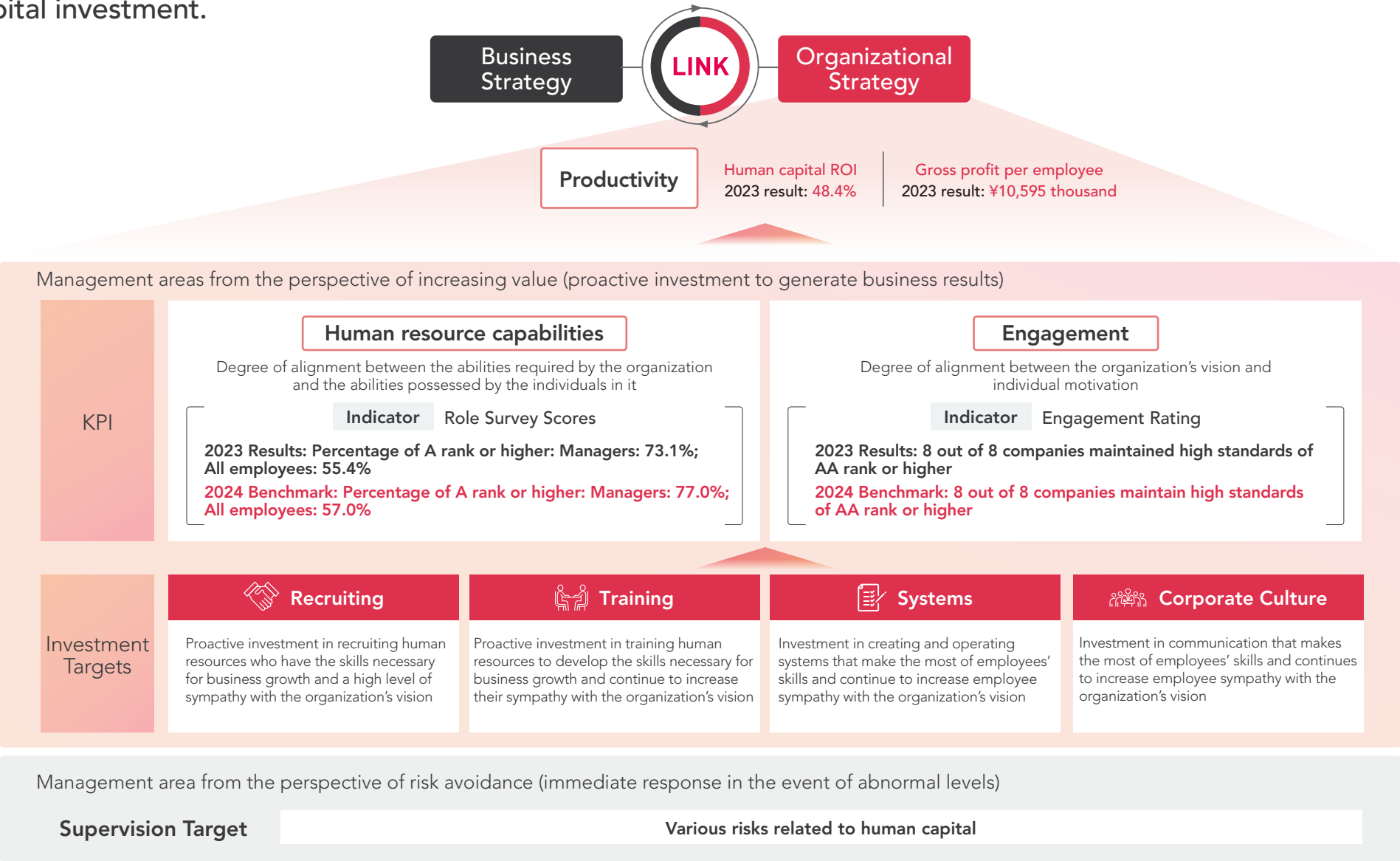
32.5%

Stability

One of the largest numbers of registered users in Japan

6.05 million (cumulative)

We place business strategy and organizational strategy on an equal footing and conduct management that links them. For organizations, we invest in recruiting, training, systems and corporate culture to increase human resource capabilities and engagement, thus maximizing productivity, which is a measure of the return on human capital investment.



The Link and Motivation Group maintains its human resource capabilities at a constant level, with role survey scores ranked “A” or higher for more than 55% of all employees, and more than 70% for managers.

Role Survey Scores

A measurement of the degree of alignment between the expectations and satisfaction of others regarding the performance of the survey subject

Roles	Rating*		October 2023 Results					
	Rating	Score		2021	2022	2023		
Upper management	AAA	67 or higher	All employees	Number of eligible respondents	1,386	1,137	1,378	
Management	AA	Less than 67		A rank or higher	713	646	764	
	A	Less than 61			Percentage of total (%)	51.4	56.8	55.4
	BBB	Less than 58				Number of eligible respondents	159	146
BB	Less than 55	A rank or higher		111			110	114
B	Less than 52			Percentage of total (%)	69.8		75.3	73.1
CCC	Less than 48		Managers and above		Number of eligible respondents	159	146	156
CC	Less than 45	A rank or higher			111	110	114	
C	Less than 42			Percentage of total (%)	69.8	75.3	73.1	
DDD	Less than 39				Number of eligible respondents	159	146	156
DD	Less than 33	A rank or higher				111	110	114
			Percentage of total (%)	69.8		75.3	73.1	

Average among the general public

\* Calculated based on data from approximately 720,000 respondents in 7,030 corporate diagnoses



Engagement: Engagement Ratings

The Link and Motivation Group continues to maintain a high level of employee engagement, with an Engagement Rating<sup>1</sup> of AAA for six companies and AA for two companies out of the eight Group companies.<sup>2</sup>

Engagement Ratings

A ranking on an 11-level ratings scale according to Engagement Score,<sup>3</sup> calculated based on employee expectations, satisfaction, and the degree of alignment between the two, using one of the largest databases in Japan

Engagement Measured in 16 Areas			Rating <sup>4</sup>	
Company	Boss	Company foundation	Rating	Score
		Philosophy and strategies	AAA	67 or higher
		Business content	AA	Less than 67
		Work content	A	Less than 61
		Organizational climate	BBB	Less than 58
		Human resources	BB	Less than 55
		Facilities and environment	B	Less than 52
		Systems and benefits	CCC	Less than 48
	Workplace	Provision of information	CC	Less than 45
		Collection of information	C	Less than 42
		Decision-making	DDD	Less than 39
		Support	DD	Less than 33
		External adaptation		
		Internal cohesiveness		
		Transformation activities		
		Succession		

Average among the general public

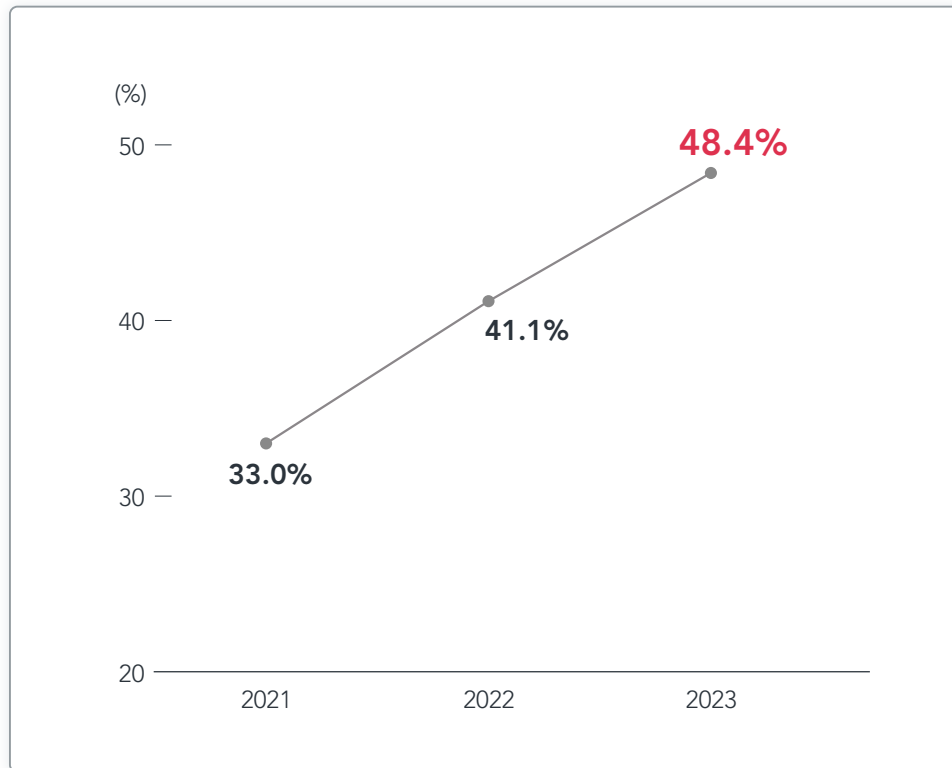
1. Engagement Rating is a registered trademark of Link and Motivation Inc. (registration number 6167649).  
2. Excluding Link Dining Inc. in the Other segment  
3. Engagement Score is a registered trademark of Link and Motivation Inc. (registration number 6115383).  
4. Calculated based on data from approximately 4.03 million respondents in 11,360 corporate diagnoses

February 2024 Results				
Division	Company	Rating		
		Feb. 2022	Feb. 2023	Feb. 2024
Organizational Development Division	Link and Motivation Inc.	AAA	AAA	AAA
	Link Event Produce Inc.	AAA	AAA	AAA
	Link Corporate Communications Inc.	AAA	AAA	AAA
Individual Development Division	Link Academy Inc.	AAA	AAA	AAA
	Motivation Academia Inc.	AAA	AAA	AAA
Matching Division	Link Interac Inc.	AA	AAA	AA
	OpenWork Inc.	BBB	AA	AA
	Link-i Inc.	AAA	AAA	AAA

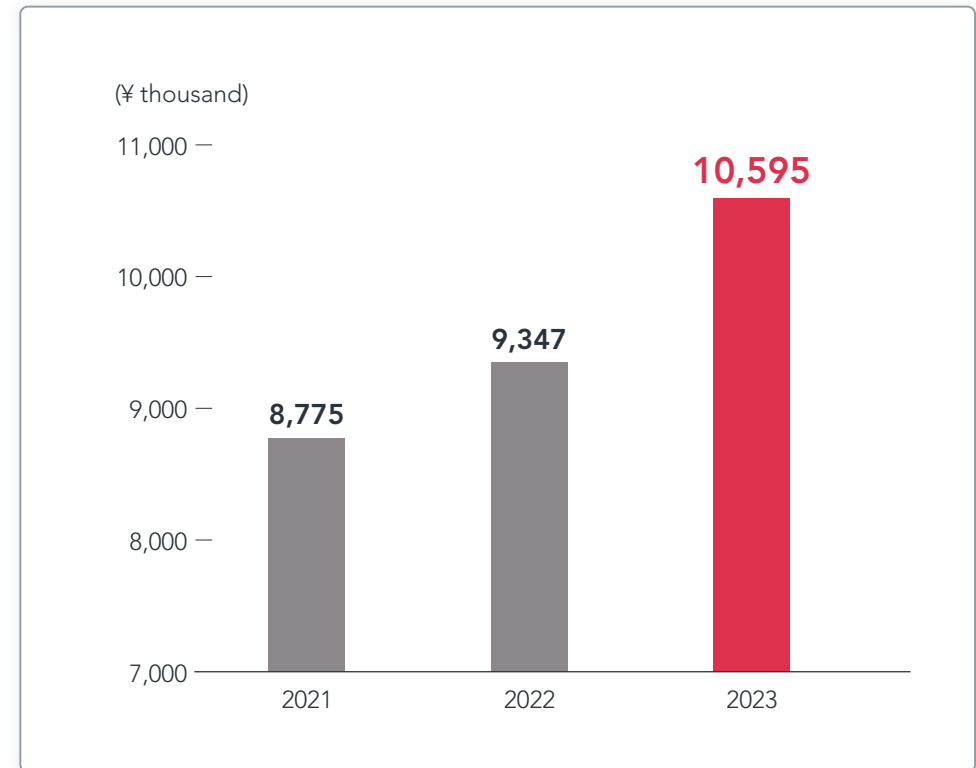
## Productivity

In 2023, gross profit increased 10.2% and operating income grew a substantial 27.4% compared with the previous year as productivity (Human capital ROI\* ÷ Gross profit per employee) improved in line with our expectations.

Human Capital ROI



Gross Profit per Employee



\* Human capital ROI = Adjusted operating income ÷ Investment in human capital

Adjusted operating income is a profit indicator that measures operating results. It excludes temporary factors such as goodwill, right-of-use assets, and impairment of fixed assets from operating income.

Investment in human capital reflects total expenditures, including employee salaries and bonuses, statutory internal and external welfare expenses, commuting expenses and other executive compensation.



Proactive investment in recruiting human resources who have the skills necessary for business growth and a high level of sympathy with the organization's vision

#### Investment Themes

- Recruiting events
- Entry Management Survey/Entry manager system

#### Sample Initiative

##### Entry Management Survey

We use our Entry Management Survey, a diagnostic tool for visualizing engagement between companies and applicants, then go through the plan-do-check-act (PDCA) cycle to determine the level of sympathy with our philosophy among those we hire. In 2023, we positioned our philosophy and strategies as a selling point in conducting recruiting for each Group company, and found that human resources with the skills we require sympathize with our philosophy when joining Group companies.

Group companies whose strength lies in LMG's philosophy and strategies

**8** companies



Proactive investment in training human resources to develop the skills necessary for business growth and continue to increase employee sympathy with the organization's vision

#### Investment Themes

- DX promotion
- Management personnel development
- i-Company Branding Support (career management)

#### Sample Initiative

##### Top Gun Selection

To develop management personnel who can make a difference in carrying out our mission, we conduct a year-long selective training program called Top Gun Selection, in which participants learn the perspectives and approaches a manager should have. The successor coverage rate was 112.5% in 2023, remaining at a level that meets our target.

Successor coverage rate **112.5%**



Investment in creating and operating systems that make the most of employees' skills and continue to increase employee sympathy with the organization's vision

#### Investment Themes

- Quarterly goal setting and evaluation
- Compatible work system
- Employee stock ownership association
- Life event support

#### Sample Initiative

##### Employee Stock Ownership Association

An employee stock ownership association is a system in which employees can regularly acquire company stock to help them build up assets over the medium-to-long term. In addition to this benefit, we hope that this opportunity fosters a sense of ownership among employees as members of the Link and Motivation Group. In 2023, the membership rate in the employee stock ownership association was 90.9%, remaining at a high level that meets our target.

Employee stock ownership association membership rate

**90.9%**



Investment in communication that makes the most of employees' skills and continues to increase employee sympathy with the organization's vision

#### Investment Themes

- Company events (Group General Meeting)
- In-house media

#### Sample Initiative

##### Group General Meeting

Once every three months, we hold the Group General Meeting to share a Group-wide perspective. Through content including a review of business performance, MVP awards, and messages from senior management, the meetings provide opportunities for all employees to act toward common goals. The level of attendance at Group General Meetings was high in 2023, with an average of 1,371 attendees.

Average number of attendees **1,371**

Chapter

# 4

## Foundation for Realizing Our Mission

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**Sustainable corporate growth is essential for achieving a sustainable society, and the linchpin of this growth is people.**

**Ohno Shunichi**

CFO  
Link and Motivation Inc.

### Approach to Sustainability

The Link and Motivation Group has set forth its mission: “Through Motivation Engineering, we provide opportunities to transform organizations and individuals and create a more meaningful society.” Helping to create a sustainable society is an indispensable theme for the Group in carrying out this mission, and we consider it an issue we must address in a straightforward and responsible manner. For the Group, sustainability means using our businesses to help resolve a variety of social issues that arise in working to create a sustainable society, while also establishing connections so that conducting those businesses also contributes to the sustainable growth of the Group.

In working to achieve sustainability, we share the three unwavering goals of the Link and Motivation Group’s management policy with all employees, and address key issues as we monitor constantly changing social trends.

### Three Goals of Our Management Policy

The first goal is “Management with Integrity.” The Group aims to conduct business with no illegality or dishonesty with regard to any of its stakeholders,

1

Management with  
Integrity

2

Management in Which  
Every Employee Plays a  
Leading Role

3

Management with Good  
Reflexes

including customers, business partners, employees and shareholders. This goal has been deeply ingrained in the Group as the most important factor in achieving good governance and fulfilling our social responsibilities. Next, based on our belief that human resources are a company’s greatest, most powerful type of capital, our second goal calls for “Management in Which Every Employee Plays a Leading Role.” As business shifts from goods to services, the intangible power of ideas, motivation, hospitality and other qualities held by human capital determine the fate of a company. We therefore believe it is important to be an organization in which each of our diverse human resources can work with strong motivation toward a common goal. The third goal is “Management with Good Reflexes.” As the pace of change in the operating environment accelerates, the ability to adapt will become crucial for companies in their ongoing efforts to resolve social issues. We believe that taking a stance of making swift management decisions to address changes in markets and laws as well as generating change ourselves is essential for sustainable corporate growth.

### People Are the Linchpin of Sustainable Growth

Human capital management has been attracting attention lately. This concept is virtually synonymous with the message that the Link and Motivation Group has been communicating to society since its founding—a message that management driven by employee motivation will be the dominant force in our era. The Group believes that sustainable corporate growth is essential for achieving a sustainable society, and that the linchpin of this growth is people.

From its position at the forefront of human capital management in Japan, the Link and Motivation Group intends to lead by example, practicing what it preaches in conducting its own management and proactively disclosing the status of its initiatives. We will continue working to improve the corporate value of the Group as we help to resolve social issues through our businesses in order to achieve a sustainable society.

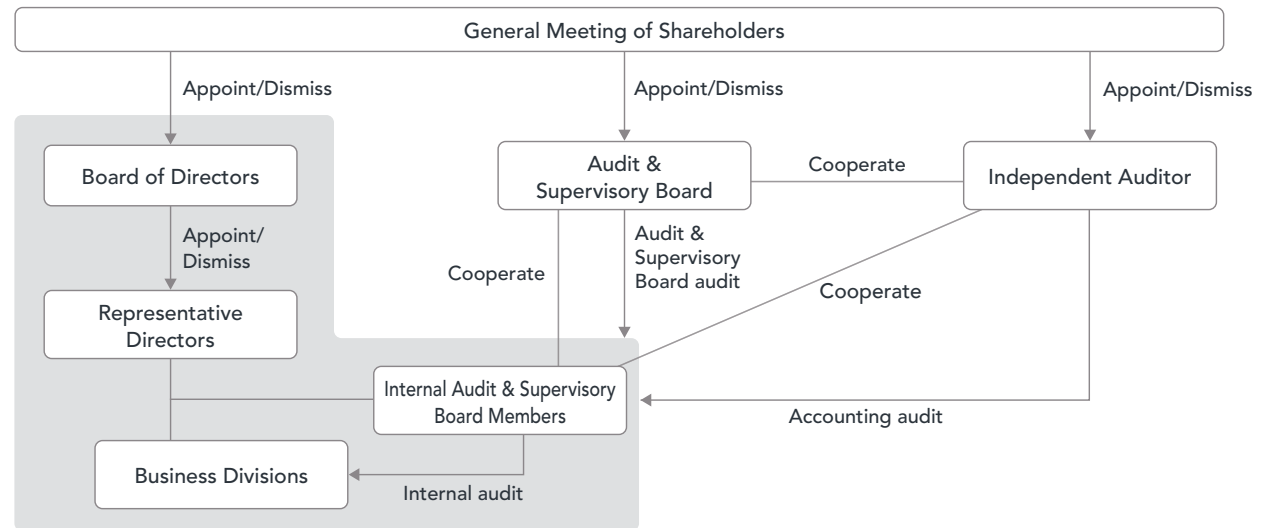
## A Management Structure That Supports Sustainable Growth: Corporate Governance

Link and Motivation Inc. (the “Company”) has adopted the format of a company with an Audit & Supervisory Board. The Board of Directors makes important management decisions and supervises the execution of business, while the Audit & Supervisory Board and its members, who are independent from the Board of Directors, audit the status of execution of business, among other matters. We work to upgrade and strengthen our corporate governance system to continue to conduct fair and transparent management activities.

### Governance Format



### Corporate Governance Structure



#### Board of Directors

The Board of Directors is composed of five directors (including two outside directors) and has ultimate authority for determining fundamental management policies and high-priority issues. In principle, it meets once a month, with other meetings held as appropriate when important items arise.

#### Audit & Supervisory Board

The Audit & Supervisory Board is composed of three members (including two outside members). In principle, it meets once a month to exchange opinions on confirming the proper operation of the Board of Directors, monitoring the business execution of directors, and issues related to compliance and other matters.

#### Business Divisions

The Group Management Committee meets twice each month. It is attended by presidents of Group companies and other related parties other than directors and Audit & Supervisory Board members, as necessary, to report on matters related to the execution of duties.

## Board Members and Executives

The three internal directors make management decisions that link business and organizational strategies using their extensive experience as organizational and personnel consultants. The two outside directors leverage a high level of insight gained from corporate management and expert knowledge of industrial and organizational psychology, which has a high degree of affinity with the business fields of the Link and Motivation Group, among their other attributes.

In addition, the Company has introduced a corporate officer system to execute management based on prompt decision-making that accurately grasps both the business environment and changes in it.

## Directors

**Ozasa Yoshihisa**

Chairman and  
Representative Director

1986 Joined Recruit Co., Ltd.  
2000 Established the Company, and assumed the position of President and Representative Director  
2013 Chairman and Representative Director (to present)

Note: Concurrently serves as chairman of seven consolidated subsidiaries and president and representative director of Phoenix Co., Ltd., an asset management company.

**Sakashita Hideki**

President and  
Representative Director

1991 Joined Recruit Co., Ltd.  
2000 Established the Company, and assumed the position of Director  
2013 President and Representative Director (to present)  
2017 Director, Link Corporate Communications Inc. (to present), Director, Link Event Produce Inc. (to present)

**Ohno Shunichi**

Director

1992 Joined Aoyama Audit Company (Price Waterhouse)  
1998 Joined PwC Consulting Co., Ltd. (currently IBM Japan, Ltd.)  
2002 Joined the Company  
2008 Director (to present)  
2015 Outside Director, Youji Corporation (to present)

Note: Concurrently serves as director of seven consolidated subsidiaries and Audit & Supervisory Board member of OpenWork Inc.

**Yuasa Tomoyuki**

Outside Director

2000 Joined Andersen Consulting, Ltd. (currently, Accenture Japan Ltd.)  
2005 Joined Revamp Corporation  
2010 Director, Revamp Corporation  
2013 Representative Director, Revamp Outsourcing Corporation (currently, Revamp Academy Corporation) (to present)  
2016 Outside Director, the Company (to present), President, Representative Director and CEO, Revamp Corporation, Outside Director, K's Holdings Corporation  
2018 President and Representative Director, Chief Executive Officer, Revamp Corporation (to present)

**Kakuyama Takashi**

Outside Director

1991 Professor, Tokyo International University  
1992 Visiting Researcher, Michael G. Foster School of Business, University of Washington  
2003 Dean of Faculty of Human and Social Studies, Tokyo International University  
2009 Dean of Graduate School of Sociology, Tokyo International University  
2011 Professor and Director of Motivation Laboratory, Tokyo Future University  
2012 Dean of School of Motivation and Behavioral Sciences, Tokyo Future University  
2018 President, Tokyo Future University (to present), Director, Sanko Gakuen (to present)  
2020 Outside Director, the Company (to present)

## Audit &amp; Supervisory Board

**Kuriyama Hiromi**

Audit & Supervisory Board Member (Full-Time)

1986 Joined Nippon Telegraph and Telephone Corporation (NTT)  
2005 Joined a2media Corporation as Director, General Manager in charge of Strategy Promotion  
2006 Director, Business Support Department (Accounting, Legal, Personnel, General Affairs), a2media Corporation  
2013 Audit & Supervisory Board Member, Japan REIT Inc. (currently, Prop Tech plus Inc.)  
2015 Director, Brainpress Inc. (currently, Inbound Tech Inc.)  
2019 Director, Company Administrator, a2media Corporation  
2022 Audit & Supervisory Board Member, the Company (to present)

**Tominaga Kenji**

Outside Audit & Supervisory  
Board Member (Part-Time)

1979 Joined Japan Recruit Center Co., Ltd. (currently Recruit Co., Ltd.)  
1999 Established Career Plan Co., Ltd., President and Representative Director (to present)  
2000 Outside Audit & Supervisory Board Member, the Company (to present)  
2001 Established Career Design Co., Ltd., President and Director

**Matsuoka Yasumasa**

Outside Audit & Supervisory  
Board Member (Part-Time)

1986 Joined Recruit Co., Ltd.  
2000 Executive Officer, General Manager of Human Resources and General Affairs Department, Fast Retailing Co., Ltd.  
2003 Executive Officer, General Manager of Marketing and Communications Department, Fast Retailing Co., Ltd.  
2004 Manager, Brand Strategy Office, SoftBank Corp.  
2005 President and Representative Director, Fukuoka SoftBank HAWKS Marketing Corp. (currently, Fukuoka SoftBank HAWKS Corp.), Director, Fukuoka SoftBank HAWKS Corp.

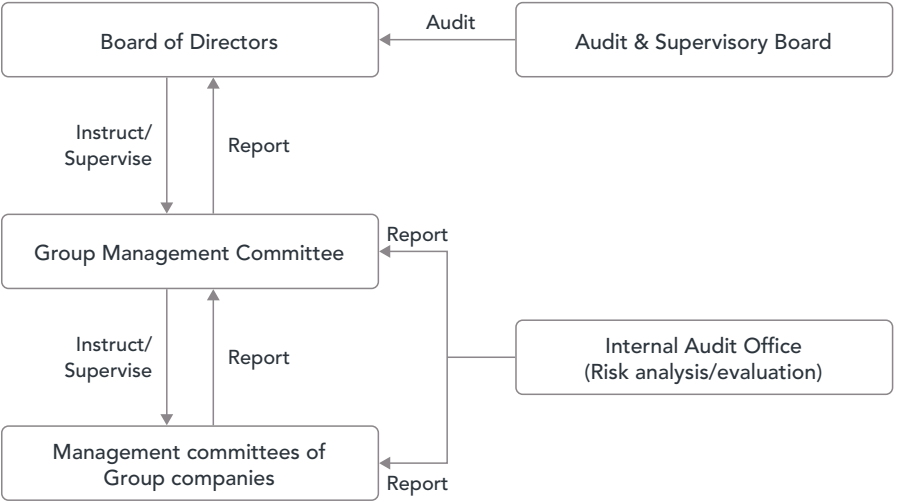
2007 Representative Director, Career Firm Co., Ltd.  
2011 Outside Director, Onionnews Inc.  
2014 President and Representative Director, Motivation Japan (to present)  
2023 Outside Audit & Supervisory Board Member, the Company (to present)

Click here for entire management team including corporate officers →

A Management Structure That Supports Sustainable Growth: Risk Management

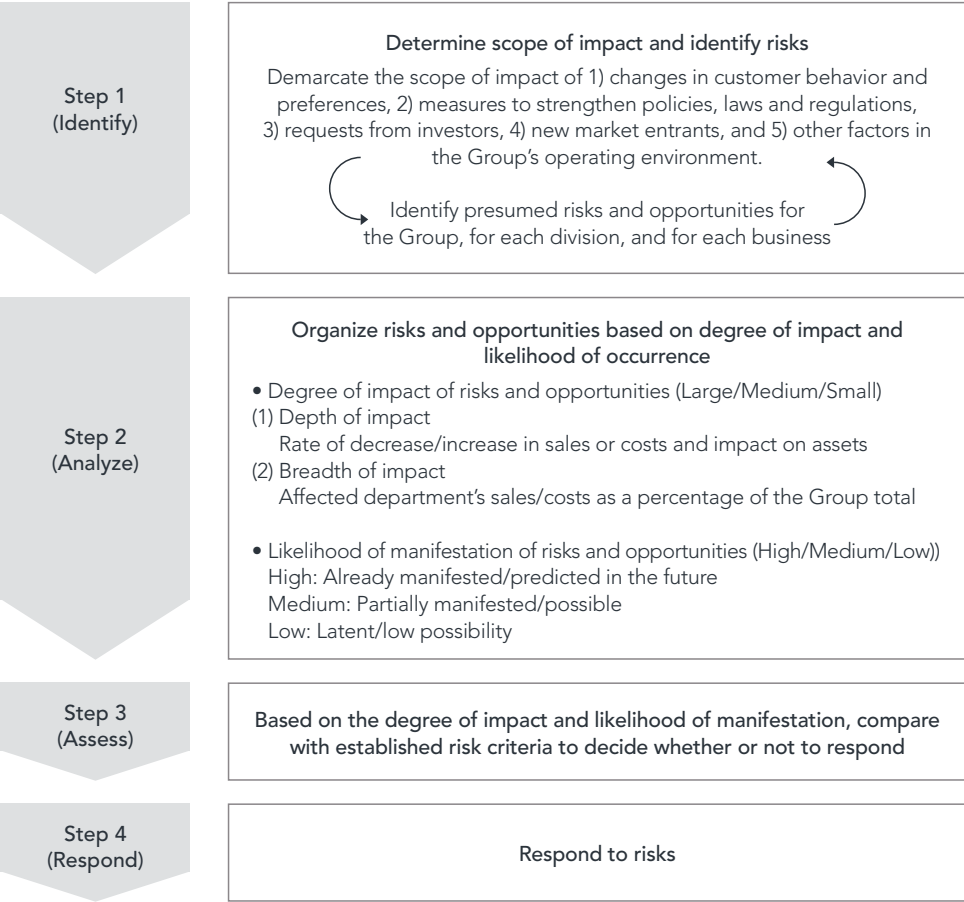
To facilitate deliberation on various risks related to Group management, the Link and Motivation Group regularly monitors, evaluates and analyzes the status of major risks. We work to provide necessary instructions and supervision to each Group company, and have established a system for regularly reporting relevant matters to the Board of Directors.

Risk Management Structure



[Click here for more information on business and other risks](#) ➔

Risk Management Process





## Approach to Human Rights

The Link and Motivation Group conducts businesses that provide organizations and individuals with opportunities for transformation in order to create a more meaningful society. Respect for fundamental human rights is the bedrock of the society we envision, and we consider respect for human rights to be a key element of our effort to develop and expand business. We have therefore established a human rights policy as a guideline for promoting initiatives to respect human rights, and the Board of Directors approved its content in March 2024.

### Basic Approach

Understanding that the Group's business activities may have an impact on human rights, we support and respect the International Bill of Human Rights (including the Universal Declaration of Human Rights), the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and other international norms regarding human rights, and promote initiatives to respect human rights.

### Scope of Application

This policy applies to all officers and employees of the Group. We also expect our stakeholders to understand and comply with this policy.

### Promotion System

The director in charge of compliance is responsible for oversight regarding respect for human rights, and the department in charge of compliance plays a central role in coordinating with relevant departments of each Group company to promote initiatives to respect human rights. The relevant departments regularly compile information on the status of initiatives and issue instructions as necessary.

### Human Rights Due Diligence

To ensure the effectiveness of this policy, we will identify and strive to prevent or mitigate any adverse impacts on human rights that our business activities may have. We will also work to establish human rights due diligence mechanisms for the ongoing implementation of these processes.

### Remedy

We have established various contact points for employee consultation and reporting on human rights issues. To address adverse impacts on human rights, we will confirm the facts, consider ways to resolve the problem and prevent recurrence, and respond by providing remedy to those who have suffered human rights violations.

### Dialogue with Stakeholders/Information Disclosure

We will disclose the status of our initiatives to respect human rights in the Group's integrated report and other materials, and promote initiatives to respect human rights by engaging in dialogue and consultation with internal and external stakeholders.

### Human Rights Issues

Under our current business structure, risks in the supply chain are low, and we conduct management with consideration given to risks at the head office, especially the human rights of workers.

#### Equal Opportunity and Prohibition of Harassment

We respect all people as individuals regardless of their political beliefs, ideology, religion, gender, gender identity, sexual orientation, physical characteristics, health status, age, nationality, race, ethnicity or other attributes. We prohibit all forms of discrimination, disadvantageous treatment and harassment, and strive to prevent such behavior by conducting regular training for officers and employees, among other methods. In addition, we provide equal opportunities in hiring, evaluation, training, placement, increases in salary or rank, appointment to positions and other treatment to promote the creation of a workplace environment where all of our diverse human resources can thrive.

#### Payment of Fair Wages and Proper Management of Working Hours

We comply with applicable laws and regulations, pay fair wages and manage working hours appropriately.

#### Information Management

We are aware that due to advances in computerization and rising awareness of privacy in recent years, there are strong demands for the appropriate handling of personal information. Under our personal information protection policy, information security policy, and internal regulations, we properly protect personal data and information assets and take the utmost care to ensure that they are not compromised. In addition, we treat all customers fairly and equitably, and provide safe and highly convenient services.

#### Promoting Health and Safety

Health and safety are indispensable for our daily activities. We work to promote health and safety in the belief that it is of the utmost importance to ensure that our stakeholders can act safely at all times.

#### Freedom of Expression and Consideration for Privacy

We respect freedom of expression and privacy in communications on social media and other platforms, and take the utmost care to ensure that there is no violation of such rights.

## Approach to Diversity, Equity and Inclusion/Approach to Environmental Management

To create new value, the Link and Motivation Group considers it essential to recognize each person's individuality and maximize their potential without regard to their specific attributes, and is committed to providing impartial opportunities. Our policy for environmental management, an issue which currently has minimal impact on our business, is to continuously monitor risks and opportunities and take appropriate measures.

### Approach to Diversity, Equity and Inclusion

We believe that diversity, equity and inclusion cannot be uniformly measured across companies, but should be appropriately defined according to business content and strategy. For the Group to achieve sustainable business growth and create new value, it is critical that our human resources, with their diverse talents, personalities and strengths, recognize each other's strengths and make the most of their abilities. We need to provide them with opportunities to demonstrate their capabilities based on a high level of motivation. In other words, it is important to acknowledge the individuality of each person and their different backgrounds, rather than specific attributes such as gender or nationality.

Based on this approach, we treat each person equally as a professional without making judgments based on specific attributes such as gender or nationality, and strive to maximize each person's potential.

### Promoting the Active Participation of Female Employees

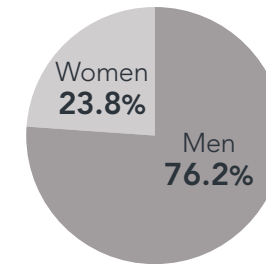
We provide impartial evaluation and promotion opportunities for all employees under a policy of promoting individuals based on their performance and growth, regardless of specific attributes such as gender or nationality. The gender ratio in management positions as of December 31, 2023 is shown in the graph on the upper right. We believe that the reason why women account for 23.8% of the total, or about one-third the amount of men, is because fewer women are in career paths that lead to managerial positions, and women are more likely to take maternity and childcare leave, and for longer periods than men. As a result, promotion to a managerial position takes a longer time for women.

The Group provides support for life events through systems for balancing childcare and work. We emphasize an approach of redefining the relationship between the company and the employee as a way to reevaluate mutual expectations in response to changes in personal circumstances, such as marriage, childbirth, childcare and nursing care.

Specifically, our work style option system allows for reduced working hours. Employees can choose the work style that best suits them from a wide range of options within the parameters of between six to eight hours a day and three to five days a week. In addition, although Japanese law requires that reduced hours and leave for childcare be available until the child's third birthday, we make it available until the child's graduation from junior high school.

By setting and applying various employment classifications like these, we enable flexible work styles that respect employee intentions and desires.

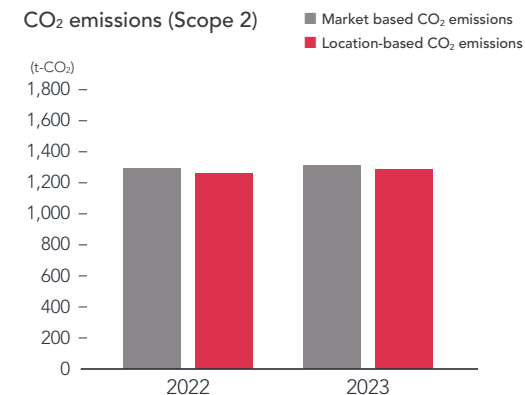
### Gender Ratio in Management Positions\*



\* Calculated as the percentage of all management positions (excluding officers) held by women, based on definitions established by the Ministry of Health, Labour and Welfare.

### Approach to Environmental Management

Due to the nature of the Group's business, we consider ourselves to be relatively unaffected by risks and opportunities related to climate change. Although we prioritize the topics of governance and human capital in responding to mandatory disclosure of non-financial information, discussions of medium- to long-term management strategies, including risks and opportunities related to climate change, are held at meetings of the Board of Directors and in the Group Management Committee. Our policy is to continually monitor risks and opportunities and to act at the appropriate time.



Chapter

# 5

## Corporate Data

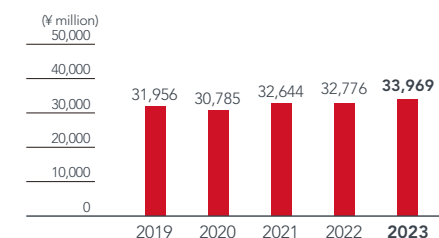
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## Performance, Financial Position and Dividends (As of December 31, 2023)

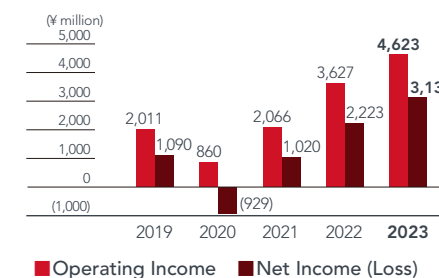
	2019	2020	2021	2022	2023
(¥ million)					
<b>Performance</b>					
Revenues	31,956	30,785	32,644	32,776	<b>33,969</b>
Gross profit	13,631	14,008	15,340	16,068	<b>17,704</b>
Selling, general and administrative expenses	10,904	12,084	12,625	12,780	<b>13,129</b>
Other income	173	757	112	779	<b>331</b>
Other expenses	888	1,820	760	439	<b>282</b>
Operating income	2,011	860	2,066	3,627	<b>4,623</b>
Financial revenues	17	8	12	20	<b>16</b>
Financial expenses	167	240	174	146	<b>72</b>
Net income (loss) from continuing operations	1,074	(307)	1,102	2,165	<b>3,137</b>
Net income (loss)	1,090	(929)	1,020	2,223	<b>3,137</b>
Net income (loss) attributable to owners of the parent	1,086	(996)	918	2,058	<b>2,842</b>
<b>Financial Position</b>					
Total assets	44,787	41,083	30,062	28,908	<b>30,843</b>
Total equity	7,033	4,917	8,648	11,243	<b>12,940</b>
Interest-bearing debt	30,036	28,379	13,887	11,127	<b>11,098</b>
<b>Dividends (Yen)</b>					
Dividends per share	7.20	7.20	7.40	7.70	<b>11.30</b>

1. Dividends per share of ¥7.20 for 2019 and 2020 consisted of ¥1.80 in each of the four quarters.
2. 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.
3. As of 2021, the domestic temp staff business of Link Agent Inc. (formerly 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.

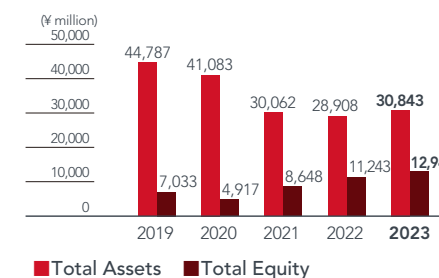
## Revenues



## Operating Income/Net Income (Loss)



## Total Assets/Total Equity

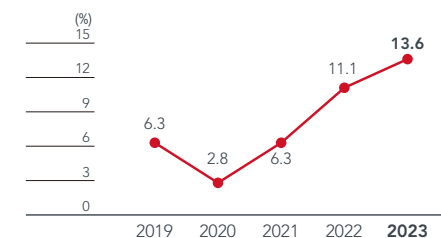




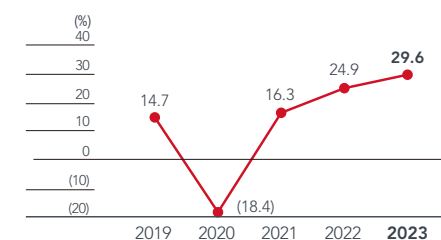
## Key Financial Indicators (As of December 31, 2023)

	2019	2020	2021	2022	2023
Operating margin (%)	6.3	2.8	6.3	11.1	<b>13.6</b>
Return on equity (ROE) (%)	14.7	(18.4)	16.3	24.9	<b>29.6</b>
Basic earnings per share (EPS) (Yen)	10.30	(9.50)	8.73	18.45	<b>25.51</b>
Diluted earnings per share (Yen)	10.28	(9.50)	8.73	18.43	<b>25.48</b>
Book value per share (BPS) (Yen)	67.13	35.84	67.17	81.19	<b>92.88</b>
Ratio of equity attributable to owners of the parent to total assets	15.7	9.2	24.9	31.3	<b>33.0</b>

Operating Margin



Return on Equity (ROE)



## Revenues by Business/Other Business-Related Data (As of December 31, 2023)

	2019	2020	2021	2022	2023 (¥ million)
<b>Revenues by Business</b>					
<b>Organizational Development Division</b>	11,729	9,923	10,819	12,092	<b>12,891</b>
Consulting & Cloud Business	10,037	8,274	9,156	10,236	<b>10,867</b>
IR Support Business	2,017	1,907	1,919	2,066	<b>2,187</b>
<b>Individual Development Division</b>	7,838	6,732	7,471	6,960	<b>6,418</b>
Career School Business	7,139	6,071	6,824	6,240	<b>5,616</b>
Cram School Business	704	666	651	720	<b>801</b>
<b>Matching Division</b>	13,131	14,846	15,043	14,564	<b>15,398</b>
ALT Placement Business	12,563	12,931	13,123	12,006	<b>12,011</b>
Personnel Placement Business	591	1,946	1,943	2,570	<b>3,411</b>
<b>Total</b>	<b>31,956</b>	<b>30,785</b>	<b>32,644</b>	<b>32,776</b>	<b>33,969</b>

1. Intersegment transactions are included in Revenues by Business.

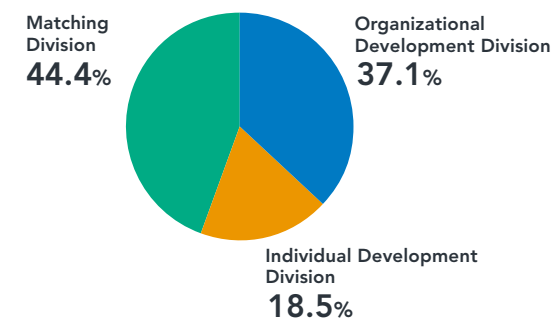
2. The name of the Consulting & Outsourcing Business was changed to the Consulting & Cloud Business in 2020.

3. The Group classified the domestic temp staff business of Link Agent Inc. (formerly Link Staffing Inc.) as discontinued operations in 2021. As a result, all relevant figures for the Matching Division have been restated.

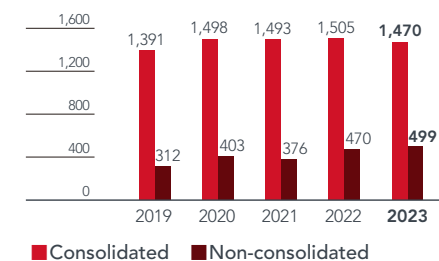
4. In 2022, business categories and business names in the Organizational Development Division changed. All figures for the Organizational Development Division have been restated and presented according to the classifications after the change.

	2019	2020	2021	2022	2023
<b>Number and Average Age of Employees</b>					
Number of employees (Consolidated)	1,391	1,498	1,493	1,505	<b>1,470</b>
Number of employees (Non-consolidated)	312	403	376	470	<b>499</b>
Average age of employees (Consolidated)	35.9	35.6	36.3	36.3	<b>36.5</b>
Average age of employees (Non-consolidated)	30.8	31.1	31.7	31.5	<b>31.8</b>

Revenues by Business (2023)



Number of Employees



## Consolidated Statements of Financial Position (As of December 31 of each year)

	2019	2020	2021	2022	(¥ million) 2023
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	2,160	6,449	4,917	6,112	<b>7,389</b>
Trade and other receivables	4,114	3,680	3,851	3,299	<b>3,627</b>
Inventories	256	187	200	183	<b>225</b>
Other current financial assets	17	14	9	12	<b>12</b>
Other current assets	4,905	1,057	753	1,025	<b>1,446</b>
Total current assets	11,454	11,389	9,732	10,633	<b>12,701</b>
<b>Non-current assets</b>					
Property, plant and equipment	1,459	1,162	637	599	<b>604</b>
Right-of-use assets	15,941	12,790	4,149	3,308	<b>3,586</b>
Goodwill	5,927	9,376	9,410	9,347	<b>9,347</b>
Intangible assets	2,095	2,266	2,234	2,417	<b>2,194</b>
Investments in associates	2,788	—	—	—	<b>—</b>
Other non-current financial assets	4,033	3,203	2,744	1,947	<b>1,753</b>
Deferred tax assets	839	646	984	572	<b>584</b>
Other non-current assets	248	245	168	81	<b>70</b>
Total non-current assets	33,333	29,694	20,329	18,275	<b>18,141</b>
Total assets	44,787	41,083	30,062	28,908	<b>30,843</b>

	2019	2020	2021	2022	(¥ million) 2023
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	2,397	2,174	2,094	1,858	<b>1,821</b>
Contract liabilities	1,760	1,786	1,615	1,461	<b>1,244</b>
Interest-bearing and other financial liabilities	4,104	7,440	7,161	5,064	<b>6,158</b>
Lease liabilities	1,839	1,778	1,079	905	<b>1,005</b>
Income tax payable	865	484	716	712	<b>1,036</b>
Provisions	21	129	274	8	<b>43</b>
Other current liabilities	1,843	2,149	2,075	1,725	<b>1,816</b>
Total current liabilities	12,831	15,944	15,018	11,737	<b>13,127</b>
<b>Non-current liabilities</b>					
Interest-bearing and other financial liabilities	9,177	7,104	1,716	2,332	<b>1,264</b>
Lease liabilities	14,915	12,056	3,929	2,824	<b>2,669</b>
Provisions	462	560	359	318	<b>335</b>
Deferred tax liabilities	218	362	256	328	<b>386</b>
Other non-current liabilities	148	138	134	124	<b>119</b>
Total non-current liabilities	24,922	20,222	6,395	5,927	<b>4,774</b>
Total liabilities	37,754	36,166	21,413	17,664	<b>17,902</b>
<b>EQUITY</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	1,380	1,380	1,380	1,380	<b>1,380</b>
Capital surplus	1,987	1,855	3,879	4,464	<b>4,619</b>
Treasury shares	(1,733)	(1,733)	(320)	(320)	<b>(1,539)</b>
Retained earnings	5,440	3,989	4,406	5,385	<b>7,396</b>
Other components of equity	(31)	(1,731)	(1,853)	(1,851)	<b>(1,690)</b>
Total equity attributable to owners of the parent	7,043	3,760	7,493	9,057	<b>10,165</b>
Non-controlling interests	(10)	1,157	1,154	2,185	<b>2,774</b>
Total equity	7,033	4,917	8,648	11,243	<b>12,940</b>
Total liabilities and equity	44,787	41,083	30,062	28,908	<b>30,843</b>

## Consolidated Statements of Operations and Comprehensive Income (Years ended December 31)

	2019	2020	2021	2022	2023
	(¥ million)				
Revenues	31,956	30,785	32,644	32,776	<b>33,969</b>
Cost of sales	18,325	16,777	17,304	16,708	<b>16,264</b>
Gross profit	13,631	14,008	15,340	16,068	<b>17,704</b>
Selling, general and administrative expenses	10,904	12,084	12,625	12,780	<b>13,129</b>
Other income	173	757	112	779	<b>331</b>
Other expenses	888	1,820	760	439	<b>282</b>
Operating income	2,011	860	2,066	3,627	<b>4,623</b>
Financial revenues	17	8	12	20	<b>16</b>
Financial expenses	167	240	174	146	<b>72</b>
Equity in earnings of associates	43	41	—	—	<b>—</b>
Income before income taxes	1,904	670	1,903	3,501	<b>4,567</b>
Income taxes	829	977	801	1,336	<b>1,430</b>
Net income (loss) from continuing operations	1,074	(307)	1,102	2,165	<b>3,137</b>
Net income (loss) from discontinued operations	15	(622)	(82)	58	<b>—</b>
Net income (loss)	1,090	(929)	1,020	2,223	<b>3,137</b>
(Net income (loss) attributable to)					
Owners of the parent	1,086	(996)	918	2,058	<b>2,842</b>
Non-controlling interests	4	66	101	164	<b>294</b>
Net income (loss)	1,090	(929)	1,020	2,223	<b>3,137</b>
Net income (loss) per share attributable to owners of the parent					
Basic earnings (loss) per share (Yen)	10.30	(9.50)	8.73	18.45	<b>25.51</b>
Diluted earnings (loss) per share					
Diluted earnings (loss) per share (Yen)	10.28	(9.50)	8.73	18.43	<b>25.48</b>

Note: In 2021, the domestic temp staff business of Link Agent Inc. (formerly Link Staffing Inc.) was 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.

	2019	2020	2021	2022	2023
	(¥ million)				
Net income (loss)	1,090	(929)	1,020	2,223	<b>3,137</b>
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	13	(1,397)	22	(57)	<b>526</b>
Total of items that will not be reclassified to profit or loss	13	(1,397)	22	(57)	<b>526</b>
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	(0)	(2)	4	(5)	<b>1</b>
Total of items that may be reclassified to profit or loss	(0)	(2)	4	(5)	<b>1</b>
Total other comprehensive income	13	(1,399)	26	(62)	<b>528</b>
Total comprehensive income	1,103	(2,329)	1,047	2,160	<b>3,665</b>
(Attributable to)					
Owners of the parent	1,099	(2,396)	945	1,995	<b>3,370</b>
Non-controlling interests	4	66	101	164	<b>294</b>
Comprehensive income	1,103	(2,329)	1,047	2,160	<b>3,665</b>



## Consolidated Statements of Cash Flow (Years ended December 31)

	2019	2020	2021	2022	(¥ million) 2023
<b>Cash Flow from Operating Activities</b>					
Income before income taxes	1,904	670	1,903	3,501	<b>4,567</b>
Profit (loss) before income taxes from discontinued operations	(0)	(611)	(13)	19	—
Depreciation and amortization	2,480	2,798	2,870	1,732	<b>1,688</b>
Loss on impairment	959	2,386	756	343	<b>230</b>
Loss (profit) from business transfer	—	—	—	(50)	—
Gain on valuation of investment securities	—	(563)	—	20	<b>26</b>
Loss (gain) on sales of fixed assets	—	(7)	(3)	—	—
Stock listing expenses	—	—	—	22	—
Gain on cancellation of insurance	—	—	(8)	—	—
Financial revenues and financial expenses	146	224	163	125	<b>55</b>
Equity in (earnings) losses of associates	(43)	(41)	—	—	—
Loss (gain) on sales of investments accounted for using the equity method	(160)	—	—	—	—
Decrease (increase) in trade and other receivables	418	503	(173)	552	<b>(339)</b>
Loss (gain) on step acquisition	—	16	—	—	—
Decrease (increase) in inventories	22	68	(12)	16	<b>(42)</b>
Increase (decrease) in trade and other payables	8	(263)	(78)	(237)	<b>(24)</b>
Other	(43)	657	(547)	(1,216)	<b>59</b>
<b>Subtotal</b>	<b>5,693</b>	<b>5,837</b>	<b>4,856</b>	<b>4,830</b>	<b>6,221</b>
Interest and dividends received	9	5	0	6	<b>10</b>
Interest paid	(155)	(226)	(162)	(131)	<b>(67)</b>
Income tax refund	62	28	439	5	<b>45</b>
Income taxes paid	(1,783)	(1,675)	(816)	(1,159)	<b>(1,867)</b>
<b>Net cash provided by operating activities</b>	<b>3,827</b>	<b>3,970</b>	<b>4,316</b>	<b>3,550</b>	<b>4,342</b>

	2019	2020	2021	2022	(¥ million) 2023
<b>Cash Flow from Investing Activities</b>					
Payments for acquisition of property, plant and equipment	(337)	(222)	(330)	(135)	<b>(123)</b>
Proceeds from sale of property, plant and equipment	—	16	3	—	—
Payments for acquisition of intangible assets	(772)	(699)	(889)	(898)	<b>(533)</b>
Proceeds from business transfer	—	—	—	441	—
Proceeds from acquisition of subsidiary stock associated with a change in the scope of consolidation	—	2,290	—	—	—
Payments for acquisition of investment securities	(204)	—	—	(169)	<b>(79)</b>
Proceeds from sale of investment securities	1,966	636	513	1	<b>989</b>
Payments for security deposits and guarantees	(122)	(56)	(272)	(46)	<b>(60)</b>
Proceeds from recovery of security deposits and guarantees	120	56	291	990	<b>162</b>
Payments for investments in associates	—	—	—	—	—
Proceeds from sales of investments accounted for using the equity method	498	—	—	—	—
Advance payments	(4,075)	—	—	—	—
Payments for fulfillment of asset retirement obligations	—	(44)	(142)	(452)	<b>(74)</b>
Proceeds from cancellation of insurance	—	—	85	—	—
Other	(63)	(9)	13	(0)	<b>6</b>
<b>Net cash used in investing activities</b>	<b>(2,990)</b>	<b>1,969</b>	<b>(728)</b>	<b>(269)</b>	<b>286</b>
<b>Cash Flow from Financing Activities</b>					
Net increase (decrease) in short-term financial liabilities	(1,000)	3,640	—	(1,800)	<b>1,300</b>
Proceeds from long-term financial liabilities	5,255	—	506	2,400	<b>100</b>
Repayment of long-term financial liabilities	(1,972)	(2,376)	(6,173)	(2,081)	<b>(1,373)</b>
Proceeds from exercise of stock options	—	—	—	5	<b>84</b>
Payments of stock listing expenses	—	—	—	(18)	—
Payments of cash dividends	(747)	(754)	(765)	(847)	<b>(1,156)</b>
Repayment of lease liabilities	(1,827)	(2,075)	(1,968)	(1,191)	<b>(1,079)</b>
Proceeds from payments from non-controlling interests	—	8	—	1,449	<b>452</b>
Payments for acquisition of interest in subsidiary from non-controlling interests	—	(90)	(753)	—	—
Payments for acquisition of treasury shares	(362)	—	—	(0)	<b>(1,329)</b>
Proceeds from sales of treasury shares	—	—	4,029	—	—
Net (increase) decrease in deposits	—	—	—	—	<b>(351)</b>
Other	—	—	—	—	—
<b>Net cash provided by (used in) financing activities</b>	<b>(655)</b>	<b>(1,647)</b>	<b>(5,124)</b>	<b>(2,085)</b>	<b>(3,353)</b>
<b>Cash and cash equivalents translation adjustment</b>	<b>(0)</b>	<b>(2)</b>	<b>4</b>	<b>(1)</b>	<b>1</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>180</b>	<b>4,289</b>	<b>(1,532)</b>	<b>1,194</b>	<b>1,277</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,979</b>	<b>2,160</b>	<b>6,449</b>	<b>4,917</b>	<b>6,112</b>
<b>Cash and cash equivalents at end of year</b>	<b>2,160</b>	<b>6,449</b>	<b>4,917</b>	<b>6,112</b>	<b>7,389</b>

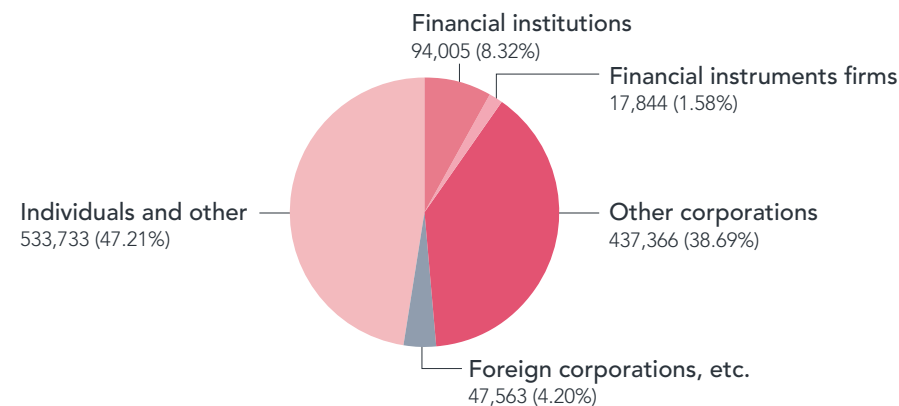
## Company Information

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

## Share Information

<b>Stock Code</b>	2170
<b>Stock Listing</b>	Prime Market, Tokyo Stock Exchange
<b>Trading Unit</b>	100 shares
<b>Shares Authorized</b>	400,000,000 shares
<b>Shares Issued and Outstanding</b>	113,068,000 shares
<b>Number of Shareholders</b>	10,987

## Share Distribution (Units)



1. One share unit consists of 100 shares. The number of shares that are less than one share unit is 16,900 shares.
2. The ratio of the number of shares held to the total number of shares is rounded to the second decimal place.
3. 3,617,168 treasury shares are included as 36,171 share units in "Individuals and other."

## Major Shareholders (Top 10)

Shareholder	Number of shares held	Shareholding ratio (%)
Phoenix Co., Ltd.	42,000,000	38.37%
Suguro Akira	6,874,600	6.28%
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,763,300	6.18%
Link and Motivation Employee Shareholding Company	6,615,700	6.04%
Sakashita Hideki	3,680,000	3.36%
Sakakibara Kiyotaka	3,680,000	3.36%
Ozasa Yoshihisa	3,000,000	2.74%
Custody Bank of Japan, Ltd. (Trust Account)	2,142,900	1.96%
Link and Motivation Officer Stock Ownership Association	852,800	0.78%
Honda Yutaka	841,500	0.77%

1. The above list of major shareholders excludes 3,617,168 treasury shares.
2. Shareholding ratio is calculated excluding treasury shares.



Scope	Link and Motivation Inc. and its consolidated subsidiaries
Reporting Period	January 1, 2023 to December 31, 2023
	Note: Includes some information that is outside the above reporting period.
Date of Issue	May 2024

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.