

Chapter

5

Corporate Data

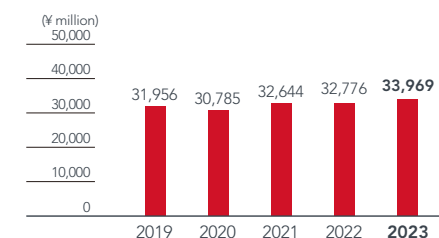
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Performance, Financial Position and Dividends (As of December 31, 2023)

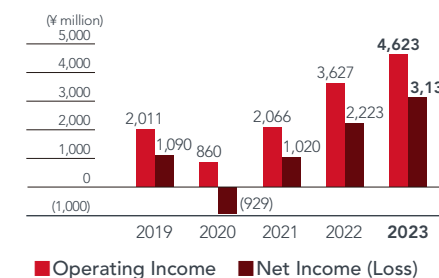
	2019	2020	2021	2022	2023
(¥ million)					
Performance					
Revenues	31,956	30,785	32,644	32,776	33,969
Gross profit	13,631	14,008	15,340	16,068	17,704
Selling, general and administrative expenses	10,904	12,084	12,625	12,780	13,129
Other income	173	757	112	779	331
Other expenses	888	1,820	760	439	282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

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.

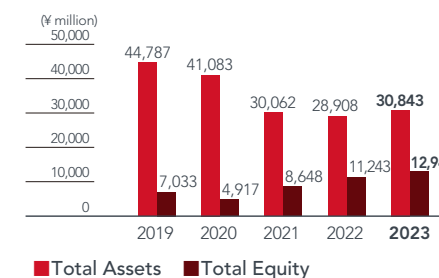
Revenues



Operating Income/Net Income (Loss)



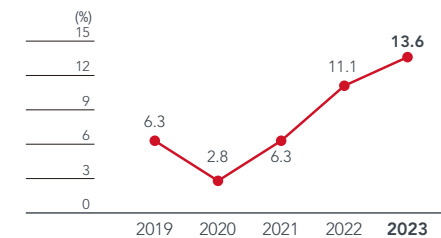
Total Assets/Total Equity



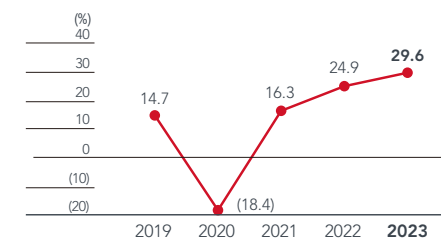
Key Financial Indicators (As of December 31, 2023)

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

Operating Margin



Return on Equity (ROE)



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

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

1. Intersegment transactions are included in Revenues by Business.

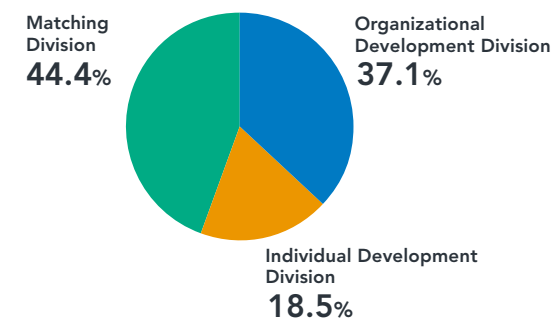
2. The name of the Consulting & Outsourcing Business was changed to the Consulting & Cloud Business in 2020.

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.

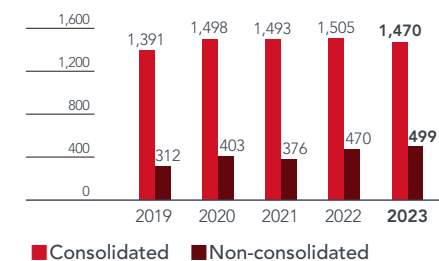
4. In 2022, business categories and business names in the Organizational Development Division changed. All figures for the Organizational Development Division have been restated and presented according to the classifications after the change.

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

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

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

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

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

Consolidated Statements of Cash Flow (Years ended December 31)

	2019	2020	2021	2022	(¥ million) 2023
Cash Flow from Operating Activities					
Income before income taxes	1,904	670	1,903	3,501	4,567
Profit (loss) before income taxes from discontinued operations	(0)	(611)	(13)	19	—
Depreciation and amortization	2,480	2,798	2,870	1,732	1,688
Loss on impairment	959	2,386	756	343	230
Loss (profit) from business transfer	—	—	—	(50)	—
Gain on valuation of investment securities	—	(563)	—	20	26
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	55
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	(339)
Loss (gain) on step acquisition	—	16	—	—	—
Decrease (increase) in inventories	22	68	(12)	16	(42)
Increase (decrease) in trade and other payables	8	(263)	(78)	(237)	(24)
Other	(43)	657	(547)	(1,216)	59
Subtotal	5,693	5,837	4,856	4,830	6,221
Interest and dividends received	9	5	0	6	10
Interest paid	(155)	(226)	(162)	(131)	(67)
Income tax refund	62	28	439	5	45
Income taxes paid	(1,783)	(1,675)	(816)	(1,159)	(1,867)
Net cash provided by operating activities	3,827	3,970	4,316	3,550	4,342

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

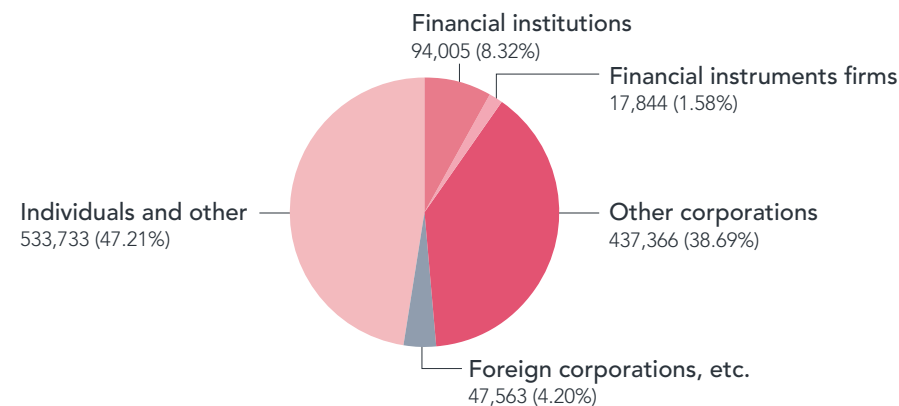
Company Information

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

Share Information

Stock Code	2170
Stock Listing	Prime Market, Tokyo Stock Exchange
Trading Unit	100 shares
Shares Authorized	400,000,000 shares
Shares Issued and Outstanding	113,068,000 shares
Number of Shareholders	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.