



Notice Concerning Disposition of Treasury Shares and Secondary Offering of Shares

November 29, 2021

Link and Motivation Inc.

Stock exchange listing: Tokyo, First Section

Code number: 2170

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

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Link and Motivation Inc. (the “Company”) hereby announces that its Board of Directors resolved on November 29, 2021 to dispose of treasury shares and conduct a secondary offering of its shares as set forth below.

1. Disposition of Treasury Shares by way of Public Offering (the “Primary Offering”)

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| (1) Class and Number of Shares to be Offered | 6,639,400 shares of common stock of the Company |
| (2) Method of Determination of the Amount to be Paid | The amount to be paid shall be determined on the date of determination of the disposition price, etc. (which shall be a day falling in the period from Tuesday, December 7, 2021 to Monday, December 13, 2021) (the “Pricing Date”) pursuant to Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association (the “JSDA”). |
| (3) Method of Offering | The offering will be a public offering. All of the shares shall be purchased for sale by the underwriting syndicate led by an underwriter designated as lead manager (the “Underwriters”). |

The disposition price (offer price) with regard to the offering shall be determined based on the provisional range calculated by multiplying the closing price in regular trading of shares of common stock of the Company on the Tokyo Stock Exchange on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by 0.90-1.00 (with any fraction less than one yen being rounded down), in accordance with Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the JSDA, taking into account market demand and other conditions.

As part of the offering, shares may be sold to investors in overseas markets such as Europe and Asia (excluding the United States and Canada).

Note: This press release does not constitute an investment solicitation for any securities for sale. This press release has been prepared for the purpose of publicly announcing that the Company has resolved matters relating to the disposition of treasury shares, the secondary offering of its shares and the disposition of treasury shares by way of third-party allotment, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan.

This press release does not constitute an offer of investment in nor solicitation for purchase of securities within the United States or elsewhere. The securities referred to in this press release have not been, and will not be, registered stock under the U.S. Securities Act of 1933 or any relevant securities law of any state. The securities may not be offered or sold in the United States absent registration or an exemption from registration requirements under the U.S. Securities Act of 1933. No offer of securities for sale in the United States will be made in connection with the above-mentioned transactions.



- (4) Consideration to be paid to the Underwriters The Company shall not pay any underwriting fees to the Underwriters. Instead, the aggregate amount of the difference between (a) the disposition price (offer price) with respect to the offering and (b) the amount to be paid to the Company by the Underwriters shall be retained by the Underwriters.
- (5) Payment Date The payment date shall be a day falling in the period from Tuesday, December 14, 2021 to Friday, December 17, 2021; provided, however, when the Pricing Date is Tuesday, December 7, 2021 or Wednesday, December 8, 2021, the payment date is Tuesday, December 14, 2021, when the Pricing Date is Thursday, December 9, 2021, the payment date is Wednesday, December 15, 2021, when the Pricing Date is Friday, December 10, 2021, the payment date is Thursday, December 16, 2021 and when the Pricing Date is Monday, December 13, 2021, the payment date is Friday, December 17, 2021.
- (6) Mr. Ozasa Yoshihisa, Chairman and Representative Director of the Company has been authorized to determine the amount to be paid and any other matters necessary for the disposition of treasury shares.
- (7) Each item above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan (the “FIEA”).

2. Secondary Offering of Shares of the Company by way of Purchase and Subscription by the Underwriters (the “Secondary Offering by way of Underwriting”)

- (1) Class and Number of Shares to be Offered 3,403,200 shares of common stock of the Company
- (2) Seller and Number of Shares to be Offered Phoenix Co., Ltd. : 3,200,000 shares
Ozasa Yoshihisa : 203,200 shares
- (3) Selling price The selling price with regard to the offering shall be determined based on the provisional range calculated by multiplying the closing price in regular trading of shares of common stock of the Company on the Tokyo Stock Exchange on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by 0.90-1.00 (with any fraction less than one yen being rounded down), in accordance with Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the JSDA, taking into account market demand and other conditions.
- The selling price shall be the same as the disposition price (offer price) with regard to the Primary Offering.

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- (4) Method of Secondary Offering All of the shares shall be purchased for sale by the Underwriters. As consideration to be paid to the Underwriters, the aggregate amount of the difference between (a) the selling price and (b) the subscription price (the amount to be paid to the Company by the Underwriters, and that shall be the same as the amount to be paid to the Company in respect of the Primary Offering).
- (5) Delivery Date The delivery date shall be a day falling in the period from Wednesday, December 15, 2021 to Monday, December 20, 2021; provided, however, when the Pricing Date is Tuesday, December 7, 2021 or Wednesday, December 8, 2021, the payment date is Wednesday, December 15, 2021, when the Pricing Date is Thursday, December 9, 2021, the payment date is Thursday, December 16, 2021, when the Pricing Date is Friday, December 10, 2021, the payment date is Friday, December 17, 2021 and when the Pricing Date is Monday, December 13, 2021, the payment date is Monday, December 20, 2021.
- (6) Mr. Ozasa Yoshihisa, Chairman and Representative Director of the Company has been authorized to determine the selling price and any other matters necessary for the Secondary Offering by way of Underwriting.
- (7) Each item above shall be subject to the effectiveness of the securities registration statement filed under the FIEA.

3. Secondary Offering of Shares of the Company by way of Over Allotment (the “Secondary Offering by way of Over Allotment”) (See paragraph 1. of “References” below)

- (1) Class and Number of Shares to be Sold 1,506,300 shares of common stock of the Company.
The number of shares set out above is the maximum number of shares which may be sold. The above number may decrease, or the Secondary Offering by way of Over Allotment may be cancelled in its entirety, depending on market demand and other conditions. The number of shares to be sold shall be determined on the Pricing Date, taking into account market demand and other conditions.
- (2) Seller The lead manager
- (3) Selling Price Undetermined. (The selling price shall be determined on the Pricing Date; provided, however, that such selling price shall be the same as the selling price in respect of the Secondary Offering by way of Underwriting.)
- (4) Method of Secondary Offering Taking into account market demand and other conditions for the Primary Offering and the Secondary Offering by way of Underwriting, the lead manager will

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undertake a secondary offering of shares of common stock of the Company (up to 1,506,300 shares) borrowed from certain shareholder(s) of the Company.

- (5) Delivery Date The delivery date shall be the same as the delivery date in respect of the Secondary Offering by way of Underwriting.
- (6) Mr. Ozasa Yoshihisa, Chairman and Representative Director of the Company has been authorized to determine the selling price and any other matters necessary for the Secondary Offering by way of Over Allotment.
- (7) Each item above shall be subject to the effectiveness of the securities registration statement filed under the FIEA.

4. Disposition of Treasury Shares by way of Third-Party Allotment (See paragraph 1. of “References” below)

- (1) Class and Number of Shares to be Offered 1,506,300 shares of common stock of the Company.
- (2) Method of Determination for the Amount to be Paid The amount to be paid shall be determined on the Pricing Date; provided, however, that such amount to be paid shall be the same as the amount to be paid in respect of the Primary Offering.
- (3) Allottee The lead manager
- (4) Payment Date Tuesday, December 28, 2021
- (5) Shares not subscribed within the subscription period shall not be disposed.
- (6) Mr. Ozasa Yoshihisa, Chairman and Representative Director of the Company has been authorized to determine the amount to be paid and any other matters necessary for the disposition of treasury shares by way of third-party allotment.
- (7) Each item above shall be subject to the effectiveness of the securities registration statement filed under the FIEA.

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1. Secondary Offering by way of Over Allotment and other matters

The Secondary Offering by way of Over Allotment described under “3. Secondary Offering of Shares of the Company by way of Over Allotment” above is a secondary offering of shares of common stock of the Company, to be made in conjunction with the Primary Offering described under “1. Disposition of Treasury Shares by way of Public Offering” and the Secondary Offering by way of Underwriting described under “2. Secondary Offering of Shares of the Company by way of Purchase and Subscription by the Underwriters” above in an amount not exceeding 1,506,300 shares, which will be borrowed by the lead manager from certain shareholder(s) of the Company, taking into account market demand and other conditions. The maximum number of shares to be offered in the Secondary Offering by way of Over Allotment will be 1,506,300 shares, provided however, the number may decrease or the Secondary Offering by way of Over Allotment may be cancelled entirely, depending on market demand and other conditions.

In connection with the Secondary Offering by way of Over Allotment, the board of directors of the Company resolved, at the meeting dated on Monday, November 29, 2021, that the Company will dispose 1,506,300 shares of common stock to the lead manager, the allottee, by way of the third-party allotment described under “4. Disposition of Treasury Shares by way of Third-party Allotment”, with a payment date of Tuesday, December 28, 2021, for the purpose of enabling the lead manager to procure the shares necessary to return the shares borrowed from the Company’s shareholder(s).

2. Use of Proceeds

The estimated net proceeds to be received by the Company from the offerings, of a maximum amount of 6,764 million yen, will be used as follows: Approximately 2,068 million yen as development costs for the Motivation Cloud Series (a cloud service that enables client companies to manage employee engagement themselves) by the fiscal year ending December 2023, approximately 1,060 million yen for marketing costs for the Organizational Development Division by the fiscal year ending December 2025, approximately 1,000 million yen for personnel costs associated with an increase in the number of employees, and the remaining amount will be used for the repayment of long-term borrowings by the fiscal year ending December 2022 in order to strengthen our financial base and increase our capital adequacy ratio.

Our group is a leader in the area of supporting corporate transformation and personal growth using “motivation engineering”, a core technology based on motivation. “Motivation engineering” is a technology based on academic analysis, including psychology, behavioral economics, and social systems theory, and is a methodology for stimulating individual motivation and revitalizing organizations.

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