

[Translation]

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Link and Motivation Inc.

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## **Notice of Launch of Special Investigation and Verification Committee**

The board of directors of Link and Motivation Inc. (the Company) today decided to establish a Special Investigation and Verification Committee, outlined below, concerning improper accounting practices (hereinafter, the improper accounting) in an attempt to defer to the next quarter expenses of approximately ¥68 million related to a certain supplier, which were revealed at one of the Company's subsidiaries, as announced in a news release on August 11, 2015.

### **1. Objective of Establishment of the Special Investigation and Verification Committee**

On August 7, 2015, the Company set up an Internal Investigation Committee consisting of three members: two managers of the Company who were not involved in the improper accounting and one internal auditor of the Company. This committee has been investigating the matter; however, it is necessary to verify the appropriateness of the investigation conducted by the Internal Investigation Committee from a more objective and impartial standpoint. For this and other reasons, the Company decided to establish a Special Investigation and Verification Committee primarily consisting of outside attorneys and accountants who have no interests in the Company.

The Internal Investigation Committee will cooperate fully with the investigation and verification conducted by the Special Investigation and Verification Committee.

### **2. Purpose of the Special Investigation and Verification Committee**

The purpose of the Special Investigation and Verification Committee is to verify the appropriateness of the investigation conducted by the Internal Investigation Committee, whose purpose is to investigate whether any similar improper accounting took place at this subsidiary or at other subsidiaries and in other accounting periods, and to formulate measures to prevent a recurrence.

The Internal Investigation Committee is currently conducting investigations of the subsidiary that

engaged in the improper accounting and two subsidiaries of the Company that have had business relationships in the past with the supplier that was the other party in the improper accounting. The Internal Investigation Committee plans to determine the scope and time frame of its investigation after consultation with the Special Investigation and Verification Committee.

### 3. Members of the Special Investigation and Verification Committee

Chair	Ryugo Yoshimura	Attorney	Partner at Morrison & Foerster LLP/Ito & Mitomi
Member	Katsuhisa Nakajima	Certified Public Accountant	Representative Director, Plutus Consulting Co., Ltd.
Member	Yutaka Honda		Auditor of the Company

There are no interests between Ryugo Yoshimura and Katsuhisa Nakajima and the Link and Motivation Group.

Yutaka Honda is an auditor of the Company, but in the course of setting September 14, 2015 as the due date for submitting the second-quarter report for 2015, the Company judged that Mr. Honda's participation was appropriate in order to facilitate rapid sharing of information between the Internal Investigation Committee and the Special Investigation and Verification Committee, and quick implementation of the investigation and verification procedures. In the Company's judgment, Mr. Honda's participation will not compromise the objectivity and fairness of the Special Investigation and Verification Committee as only one of the three members of the committee is an employee of the Company, and it has been confirmed that Mr. Honda was not involved in the improper accounting.

### 4. Future Actions

The Company will continue to carry out its investigation in the Internal Investigation Committee, and will cooperate fully with the verification conducted by the Special Investigation and Verification Committee. A report is due to be received from the Special Investigation and Verification Committee on September 4.

The Company will promptly disclose the results of the investigation and verification, the effect on the Company's business results and other related matters as soon as the facts are available.

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

End.