

Link and Motivation Inc.

Consolidated Financial Information for the Six Months Ended June 30, 2012



ひとりひとりの本気がこの世界を熱くする

Link and Motivation Group



Presentation Agenda

1. Announcement of Results for the Six Months Ended June 30, 2012

2. Topics

A. Mergers and Acquisitions

Basic agreement to acquire the shares of Daiei Education System Co., Ltd. and make it a subsidiary

B. New Services

Intercultural communication training

1

Announcement of Results for the Six Months Ended June 30, 2012

The image shows the exterior of a modern building at night. The building's facade is composed of large, light-colored rectangular panels. A prominent feature is a large, illuminated logo consisting of several vertical bars of varying heights, resembling a stylized 'L' or a bar chart. Below this logo, the text 'Link and Motivation Group' is visible, written in a sans-serif font and slightly angled to follow the building's perspective. A window is visible on the right side of the frame, showing a dark interior with a small red light indicator.

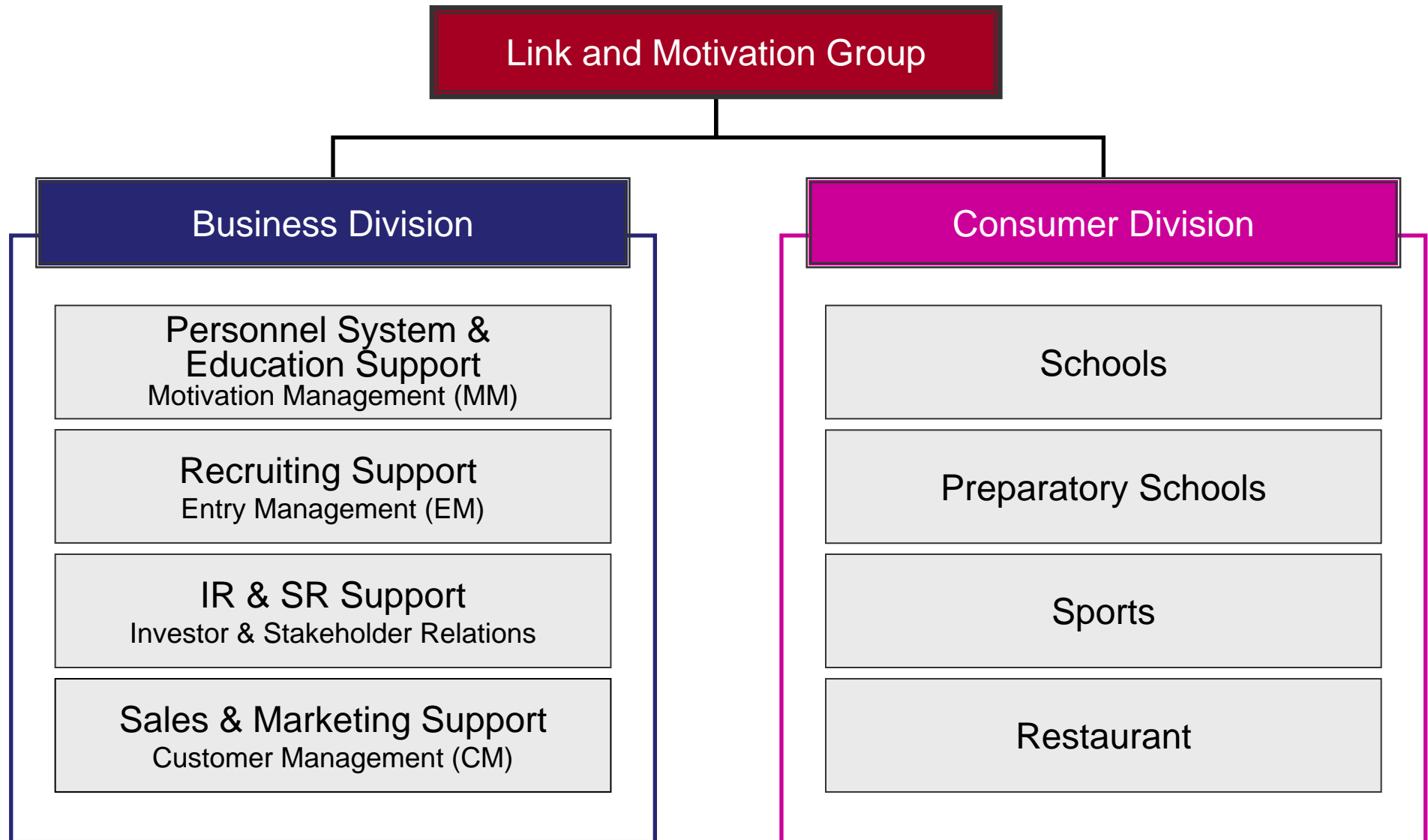
Link and Motivation Group

Statements of Operations Vs. Same Period of Previous Year

Consolidated (¥ million)	2011 Results	2012 Results	YoY Change
Net Sales	3,906	9,106	+133.1%
Operating Income	310	439	+41.6%
Ordinary Income	312	430	+38.1%
Net Income	133	178	+33.7%

- Net sales increased substantially year on year because expansion into new business areas continued from 1Q.
- Growth was solid. Each level of income increased substantially compared with the same quarter of the previous fiscal year.

2012 Link and Motivation Group Operating Structure



Sales & Gross Profit by Division Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]		2011 Results	2012 Results	YoY Change
Business Division	Sales	3,155	5,974	+89.3%
	Gross Profit	[1,768]	[2,499]	[+41.3%]
Consumer Division	Sales	821	3,302	+302.0%
	Gross Profit	[273]	[1,098]	[+301.4%]

- The Business Division generated substantial growth from existing businesses and the integration of Sales Marketing Co., Ltd.
- Results for the Consumer Division increased substantially because of the inclusion of AVIVA Co., Ltd. in the scope of consolidation.

Business Division: Sales & Gross Profit Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]	2011 Results	2012 Results	YoY Change	Product Trends
Personnel System & Education Support (MM)	1,273 [732]	1,650 [1,094]	+29.6% [+49.3%]	Training services ↑ Consulting services ↑
Recruiting Support (EM)	1,236 [757]	1,314 [686]	+6.4% [-9.4%]	Assessment services ↑ Consulting services →
IR & SR Support (IR)	340 [180]	320 [173]	-5.8% [-3.7%]	Annual reports ↑ Video distribution ↓
Sales & Marketing Support (CM)	0 [0]	2,688 [545]	- -	

- Personnel System & Education Support: Substantial year-on-year growth from strong sales of training and consulting services.
- Recruiting Support: Strengthening of repeatable products resulted in higher sales and slightly lower gross profit.
- Sales & Marketing Support: Integration of Sales Marketing Co., Ltd. increased sales.

Consumer Division: Sales & Gross Profit Vs. Same Period of Previous Year

Consolidated (¥ million) [Gross profit in brackets]	2011 Results	2012 Results	YoY Change	Product Trends
Schools	547 [213]	3,026 [1,061]	+452.6% [+397.9%]	
Sports	226 [48]	196 [21]	-13.1% [-56.1%]	Ticket revenues ↑ Sponsor revenues ↓
Other	47 [11]	78 [15]	+67.1% [+31.5%]	Preparatory Schools ↑ Restaurant ↑

- Schools business: Integration of AVIVA Co., Ltd. increased sales. Continued major contribution to consolidated earnings from growth in new students (20% gain year on year).
- Sports business: Delayed sponsor contract periods resulted in a year-on-year decrease in sales.
- Preparatory Schools business: Robust growth in new students.

Balance Sheets

20

<u>Consolidated (¥ million)</u>	Dec. 31, 2011	June 30, 2012	Change
Current Assets	4,780	5,852	+1,072
Property and Equipment	3,699	4,988	+1,289
Total Assets	8,479	10,840	+2,361

<u>Consolidated (¥ million)</u>	Dec. 31, 2011	June 30, 2012	Change
Current Liabilities	3,819	5,329	+1,510
Long-term Liabilities	1,488	2,647	+1,159
Net Assets	3,172	2,863	-308
Total Liabilities and Net Assets	8,479	10,840	+2,361

- Assets and liabilities increased substantially due to the integration of Sales Marketing Co., Ltd.
- Net assets decreased due to share repurchases and payment of dividends to shareholders.

2012 2Q Dividends

Change in 2012 Dividend Policy (Reiteration)

Changes:

Quarterly dividends of 500 yen, fixed annual dividend of 2,000 yen

→ Quarterly dividends raised to 600 yen, fixed annual dividend of 2,400 yen

Planned implementation: From the dividend for 2012 2Q (to be paid September 25)

2012 2Q Dividend

- As initially planned, a 600 yen per-share dividend, with planned payment date of September 25, 2012.

	1Q Actual	2Q Planned	3Q Planned	4Q Planned
Per-share dividend	500 yen	600 yen	300 yen (reflects free stock distribution)	300 yen (reflects free stock distribution)

2 Topics



A. Mergers and Acquisitions

Basic agreement to acquire the shares of Daiei Education System Co., Ltd. and make it a subsidiary

B. New Services

Intercultural communication training

A. Mergers and Acquisitions

Basic agreement to acquire the shares of Daiei Education System Co., Ltd. and make it a subsidiary

B. New Services

Intercultural communication training

A. Mergers and Acquisitions

Acquisition of Shares of Daiei Education System Co., Ltd. Basic agreement concluded (share acquisition planned for January 2013)

Company Overview



Name: Daiei Education System Co., Ltd.
Representative: Yasuo Sato
Established: 1972
Sales: 2,385 million yen
(year ended December 31, 2011)
Businesses: Qualification school business
Correspondence learning business
Employees: 195
Head office: Osaka
Locations: 201 schools throughout Japan
(as of August 10, 2012), of which
44 are directly operated

Features

● Support for Acquisition of Diverse Qualifications and Skills

- Accounting (Bookkeeping, accounting, tax accounting, CPA, etc.)
- Business (financial planner, securities broker, etc.)
- Legal (certified social insurance and labor consultant, administrative procedure specialist, judicial scrivener, etc.)
- Real estate (real-estate broker, apartment building manager, etc.)
- Civil service examination, medical administration, personal computer information processing, interior design, etc.

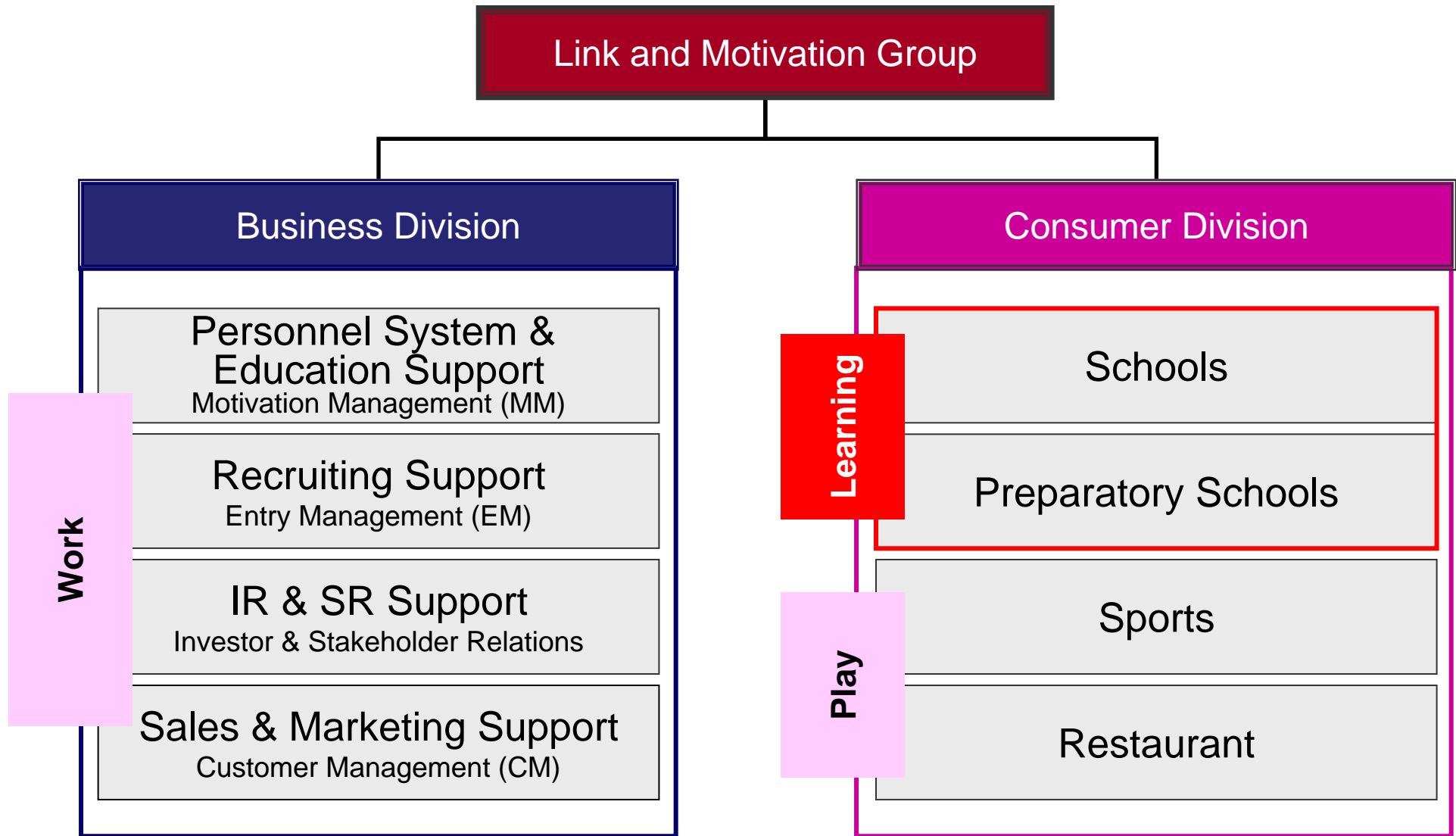
● Demonstrated Examination Success

Over 12,000 people certified annually

● Training Style That Facilitates Learning

Various learning formats are available to meet clients' needs, including individual instruction, group training and correspondence learning.

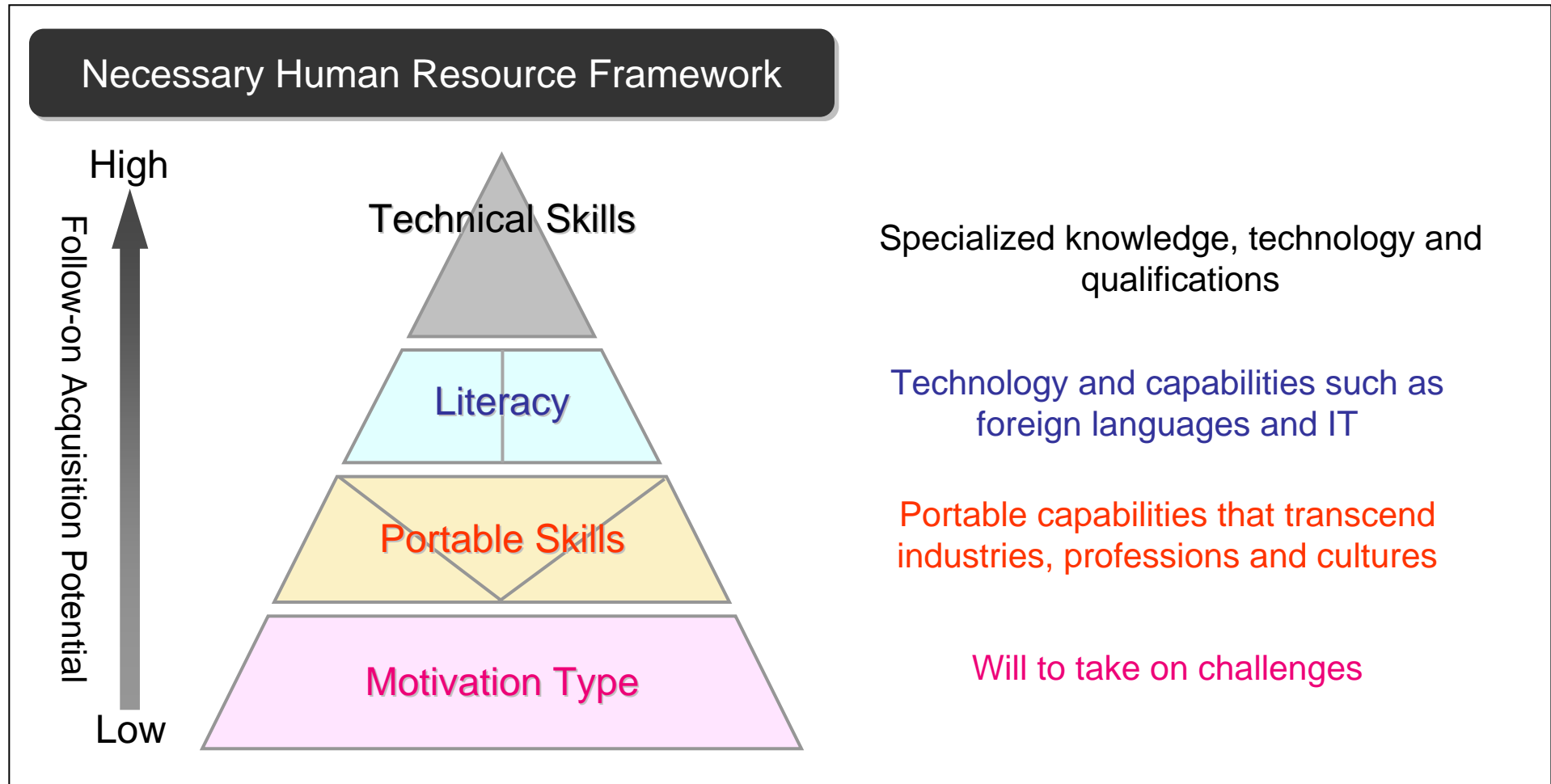
2012 Link and Motivation Group Operating Structure



Consumer Division (Learning Domain Development)

Support for i-Company Creation

Helping people live independently and by their own initiative as managers of their own life enterprises

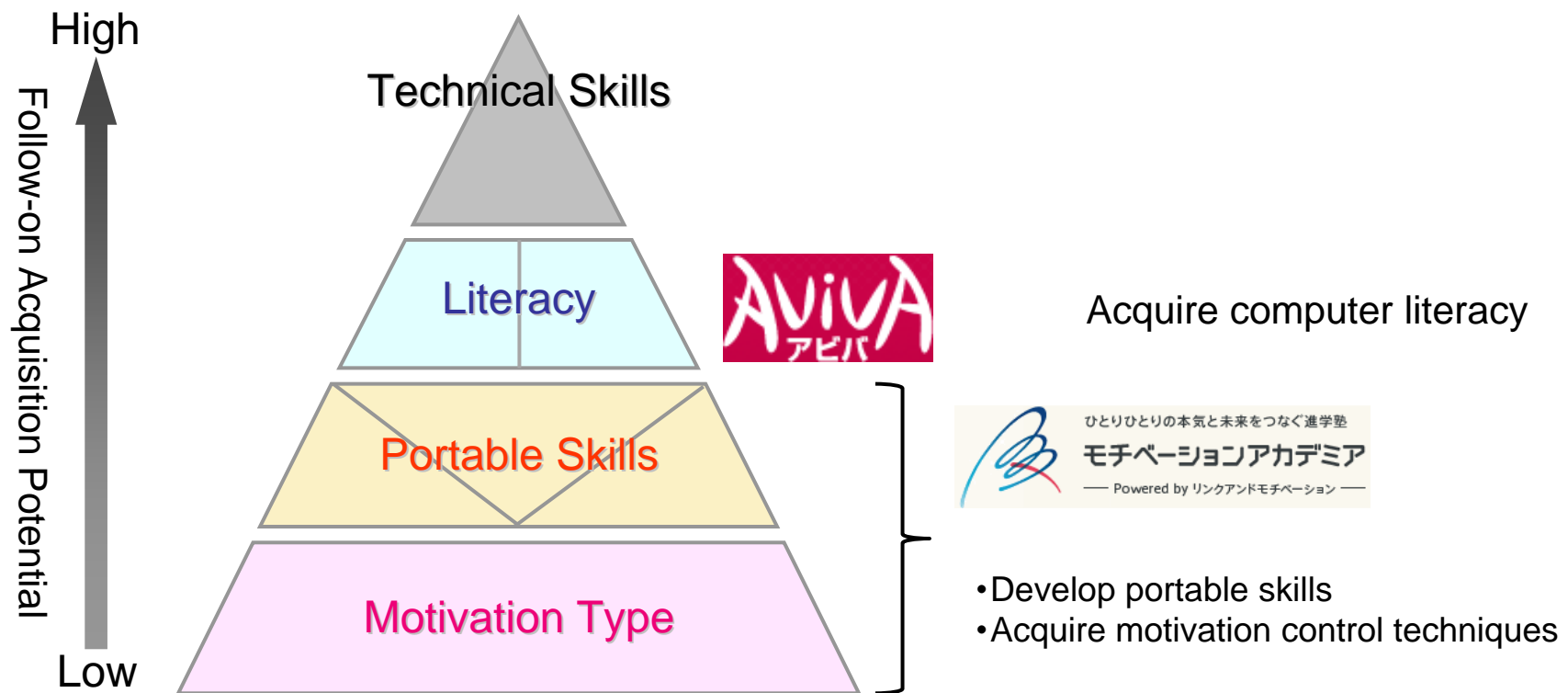


Consumer Division (Learning Domain Development)

Support for i-Company Creation

Helping people live independently and by their own initiative as managers of their own life enterprises

Necessary Human Resource Framework

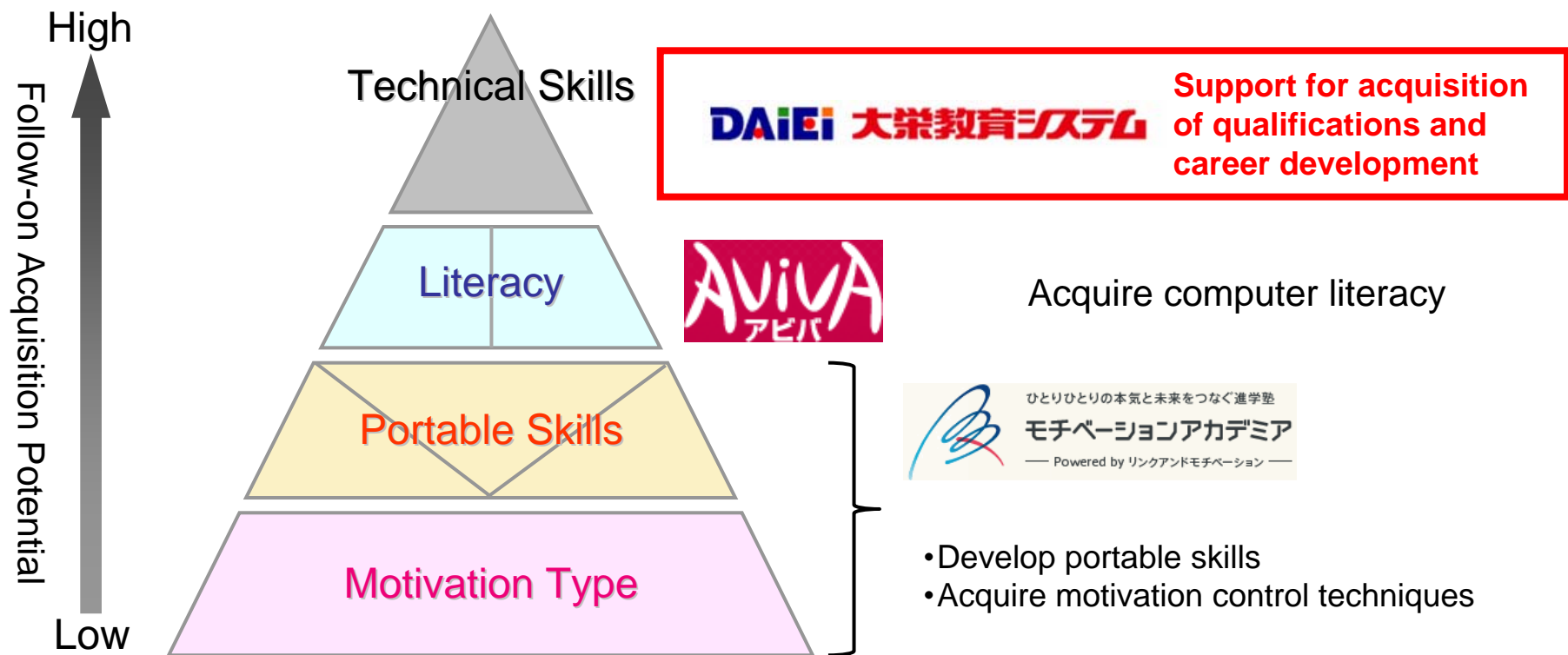


Consumer Division (Learning Domain Development)

Support for i-Company Creation

Helping people live independently and by their own initiative as managers of their own life enterprises

Necessary Human Resource Framework



Synergy Areas

1 Total support for career development

2 Efficient expansion of schools in Japan

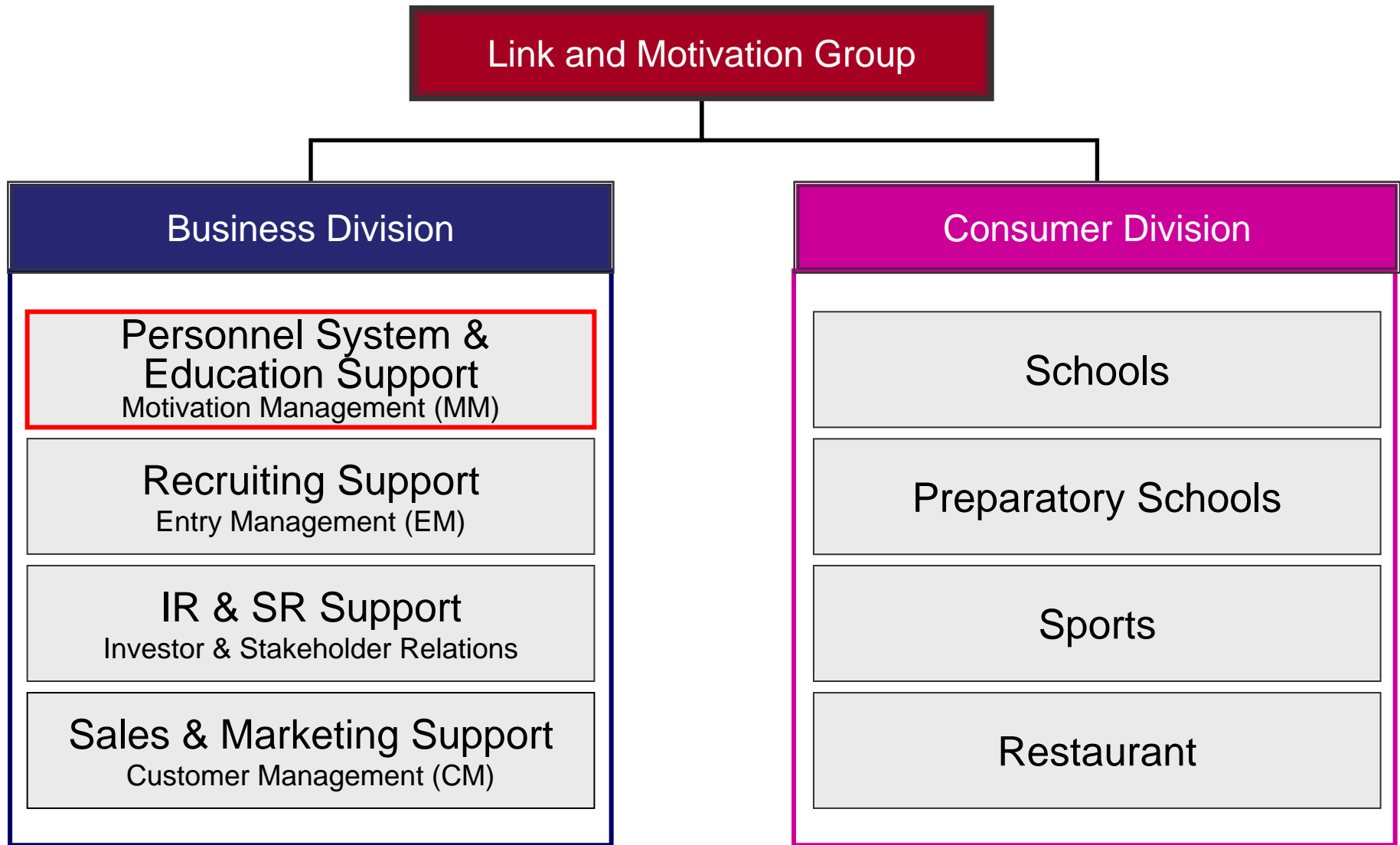
A. Mergers and Acquisitions

Basic agreement to acquire the shares of Daiei Education System Co., Ltd. and make it a subsidiary

B. New Services

Intercultural communication training

B. New Services



B. New Services



Intercultural communication expertise



Product package expertise



Features

- Programs that do not rely on instructor expertise
- Programs that enable participants to develop awareness by themselves



Plan

2012 Sales: 40 million yen

Client Companies: 40

Link and Motivation Inc.

Consolidated Financial Information for the Six Months Ended June 30, 2012



ひとりひとりの本気がこの世界を熱くする

Link and Motivation Group

