

Link and Motivation Inc.
Consolidated Financial Information for the
Three Months Ended March 31, 2014
(First Quarter of 2014)



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Link and Motivation Group



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Topics1:

Report on Acquisition of Interac Co., Ltd.



Acquired 100% of the Stock of Interac Co., Ltd. and Made It a Wholly Owned Subsidiary on April 30, 2014

Overview of Interac Co., Ltd.



International **E**ducation **R**esearch and **A**nalysis **C**orporation

Representative: Seiichi Matsumoto, President

Address: Fujimi 2-14-36, Chiyoda-ku, Tokyo

Established: 1972

Net Sales: ¥9.2 billion

(Note: Consolidated, year ended March 2013)

Number of Employees: 265

Main Group Companies:

MAXCEED CO., LTD.

Interac America Co Ltd.



1 (For schools) ALT placement

ALT: Assistant Language Teacher



2 (For corporations) Training of global personnel



3 (For corporations) Recruiting/placement of foreign staff



Core Assets

Ability to recruit foreign language teachers
Foreign language teacher management skills
(labor management)

Overwhelming Top Industry Share Among Private Companies

Size

- Staff placed: **Approx. 2,600/year**
- Schools covered: **Approx. 7,500/year**
(4,400 elementary schools, 2,600 secondary schools, schools, 400 kindergartens, etc., 70 special schools)

Note: One out of four elementary and middle schools in Japan has an ALT from Interac.



Special Features

- **Customer relationships built over approximately 20 years**
- **Business structure that creates high barriers to entry**

Market Outlook

MEXT* “English Education Reform Plan” Announced in December 2013

“Build a framework to implement the following measures in stages from fiscal 2018”

*MEXT: Ministry of Education, Culture, Sports, Science and Technology

Elementary
Schools

Make English
language classes
mandatory

Middle
Schools

Conduct classes in
English

High Schools

High-level linguistic
activities (debates,
negotiations, etc.)

“Improve the teaching skills of English language teachers” and “Expand placement of ALTs” are core themes

ALTs in 2013

11,000

ALTs in 2018

(LMI estimate)

15,000

Synergy with the LM Group (Business Cooperation)

① Apply the LM Group's organizational and personnel management measures to Interac
(Strengthen Interac's existing business)

② Develop solutions for training global corporate personnel
(Cooperation with Link Global Solution Inc.)



③ Accelerate the start-up of the recruiting/placement of foreign staff business
(Cooperation with Link-i Inc. and Link Marketing Co., Ltd.)

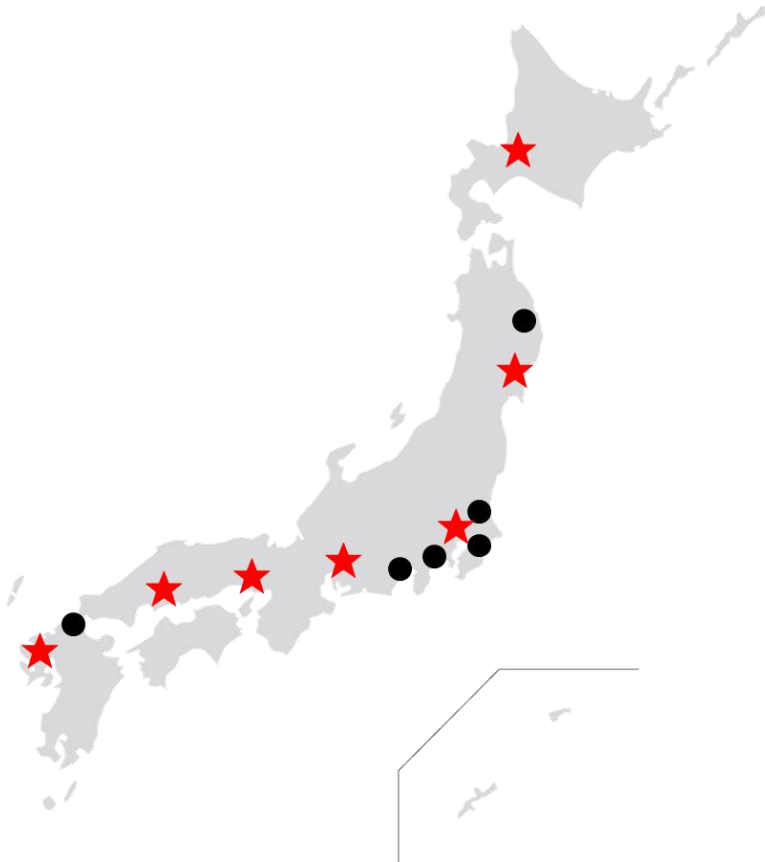
④ Develop English-language courses using experienced ALTs
(Cooperation with Link Academy Inc.)

Note: LM Group = Link and Motivation Group

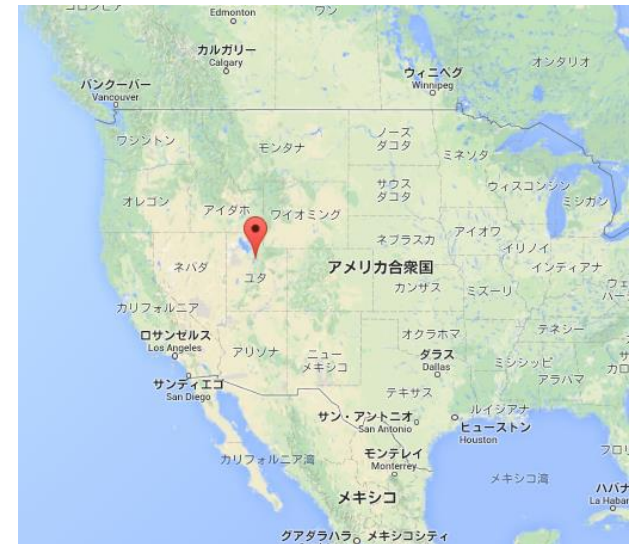
13 Locations in Japan

★ LM Group Business Division Offices

- ★ Tokyo Head Office
- ★ Sapporo Branch
- Morioka Branch
- ★ Sendai Branch
- Mito Branch
- Chiba Branch
- Yokohama Branch
- Hamamatsu Branch
- ★ Nagoya Branch
- ★ Osaka Branch
- ★ Hiroshima Branch
- Kitakyushu Branch
- ★ Fukuoka Branch



1 Location Overseas



Interac America Co Ltd.

Location: Orem, Utah, U.S.A.

Function: Recruiting foreign teachers



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Topics 2:

Progress Report on the
Incubation Business



Investments Made in the Following Two Companies

Investments

As of March 28

AgentGate, Inc.

Shareholding Ratio: 10%



As of May 8

FROM SCRATCH Co., Ltd.

Shareholding Ratio: 10%



AgentGate, Inc.



President Daisuke Midorikawa

Established: 2007

Representative: Daisuke Midorikawa

Capital: ¥20,000 thousand

Businesses: Ad technology business
Business integration
Creative design

LMI Group shareholding ratio: 10%



- Support for strengthening recruiting ability and organizational management capability to expand the business

FROM SCRATCH Co., Ltd.



Established: 2010

Representative: Yasuhiro Abe

Capital: ¥10,000 thousand

Businesses: Web strategy
Web creative
System engineering service

LMI Group shareholding ratio: 10%



President Yasuhiro Abe

- Support for strengthening recruiting ability and organizational management capability to expand the business

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