



CHALLENGE TOMORROW

Embracing New Potential for Communications

Mobile terminals have become increasingly more multifunctional and sophisticated, the penetration of fiber to the home (FTTH) broadband connections has become widespread in the broadband market, and e-commerce has been developing as important tool for businesses. In such circumstances, telecommunications-related markets are steadily evolving into a new era, embracing new potentials for communications with “new normal business practices”.

As envisioned futures become reality, paths to further dreams are revealed. We aspire to realize the infinite expansion of these connections between people, and to serve as a bridge for communication. In the here and now, and in the near and far future. And for the next generation carrying the hopes and dreams for everyone.

Table of Contents

- 02 Message from the President
- 03 Corporate Philosophy & Conduct Guideline
- 04 Corporate Outline
- 05 Mobile Telecommunications Business
- 07 Bases for Business Operations & Nationwide / Overseas Sales Network
- 09 Solutions Marketing Business
- 11 Overseas Business Initiatives
- 12 Settlement Service & Other Business
- 13 Financial Information
- 15 Compliance
- 16 Corporate Social Responsibility(CSR)
- 17 TG Academy & Corporate History
- 18 Topics

We are committed to achieving competitive excellence as an industry-leading company by leveraging “the Collective Strengths” of our group.

In today’s diverse world, against the backdrop of the full-scale penetration of smart-phones, the widespread use of tablet devices, etc., people can effectively use a wide variety of mobile tools to enjoy all kinds of pleasures, conveniences, and services not only for communication purposes but also for the purposes of business, entertainment, and settlement services, among others.

Additionally, with the drastically changing business environment, such as the increasing deployment of cloud computing services and high-speed data transmission services, the telecommunications industry, which is our core business, has been facing a major turning point.

With the aim of turning these changes in the business environment into an opportunity to develop new potential in the telecommunications society, properly responding to the convergence of mobile communication devices and fixed-line services and appropriately meeting increasingly diverse and sophisticated user needs, we at the T-Gaia Group have changed our business segmentation from the start of this fiscal year. Specifically, we have newly established “the Solution Marketing Business segment” by integrating the mobile phone sales business for corporate clients, which was included in “the Mobile Telecommunications Business segment” prior to this fiscal year, with “the Network Communication Business segment”, which primarily focused on the sales of fixed line services. In this new business segment, we provide comprehensive support services to corporate clients by offering “the T-GAIA Smart SUPPORT”, our solution package that is designed to meet each corporate client’s individual needs.

From this fiscal year, we have also newly established “the Business Promotion Division” with the objectives of promoting the diversification of profit sources through the development of new products, including peripheral products, and enhancing our education and training programs through the utilization of the TG Academy, our company-wide educational and training center to improve customer satisfaction (CS). Moreover, we intend to increase efficiency in settlement and logistics operations, etc., by enhancing the administrative and logistical support system. In business partnership with the Shanghai Branch of China Unicom, one of China’s leading telecommunications firms (China Unicom Shanghai Corporation), we established T-Gaia (Shanghai) Corporation, our Chinese subsidiary, and launched our first China Unicom shop in Shanghai, China, in the summer of 2010. This year marked the second anniversary of our entry into the Chinese market. We have opened six shops in Shanghai as of the end of July 2012 and plan to increase the number of shops there to 10 by the end of this year.

With regard to telecommunication, we are one of the largest sales companies in Japan, and we believe we can achieve a competitive advantage by leveraging “the Collective Strengths” of our group. I would like to make this fiscal year the year of further promoting the structural reform that we have implemented to date and lay a new foundation to let us fully leverage “the Collective Strengths” of our group. In addition, we are committed to making continuous efforts to improve our corporate value by ensuring the ongoing enhancement of our compliance system, as well as the full fulfillment of our corporate social responsibility (CSR). We would like to ask for your continued support and guidance in our pursuit of business excellence.



Masaaki Kimura
President & CEO (Chief Executive Officer)

木村政昭



Corporate Philosophy

We will contribute to the realization of society's dreams and prosperity, and continue to

take on **"Challenges"**

toward a better **"Tomorrow."**

with **"Integrity"**

Conduct Guideline

We will fulfill our corporate social responsibility (CSR) proactively, striving to ensure corporate sustainability and transparency and bearing in mind the needs of various stakeholders,

Society

We will proactively engage in social contribution programs while deepening communication with society.

Shareholders

We will maintain and operate appropriate governance and compliance systems, placing importance on accountability, and will endeavor to further increase our corporate value.

Customers

We will always provide the best service as a company deserving of trust of our customers based on a "Customer first" philosophy.

Employees

Respecting the individuality and creativity of each employee, we will continue to be a company, which is a great place to work with free and vigorous atmosphere.



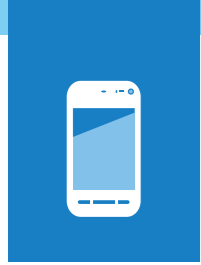
Corporate Name	T-Gaia Corporation Listed on the First Section of the Tokyo Stock Exchange (securities code:3738)
Description of Business	(1) Sales and distribution of mobile phones, and sales agency business (2) Provision of telecommunication solution services primarily for corporate clients and provision of brokerage services in the sales of fixed line telecommunication services. (3) Settlement services and other new / overseas business, etc.
Location	[Head office] Ebisu Neonato 14-18F, 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575 Japan
Capital	3,098 million yen
Date of Establishment	February 1992
Major shareholders	Mitsubishi Corporation, Sumitomo Corporation
Board Members	President & Chief Executive Officer, Masaaki Kimura Representative Director, Executive Vice President, Tetsuro Takeoka Director, Executive Vice President, Bumpei Katayama Director, Executive Vice President, Hirokane Fujiwara (External) Director, Tatsujiro Naito (External) Director, Osamu Miyashita (External) Director, Taiki Hasegawa Director, Moriji Fukushima Corporate Auditor, Takaharu Tao Corporate Auditor, Makoto Ikadai (External) Corporate Auditor, Motokazu Endo (External) Corporate Auditor, Katsuhiko Yamaguchi
Sales territory	All over Japan and Shanghai, China
Number of employees	3,573
Main financing banks	Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, The Chuo Mitsui Trust and Banking Company, Limited (*In the order of bank code)



(The second from the right) Masaaki Kimura, President & CEO
(The second from the left) Tetsuro Takeoka, Representative Director, Executive Vice President
(Far left) Bumpei Katayama, Director, Executive Vice President
(Far right) Hirokane Fujiwara, Director, Executive Vice President



(As of June, 2012)



Mobile Telecommunication Business

(for Consumers)

Creating future of mobile communications taking advantage of scale with our spirit of challenge

As one of the largest primary distributors in Japan for telecommunications carriers that have business operations throughout Japan and in overseas markets, we sell mobile phones, including smart-phones, personal handy-phone system (PHS) devices, and tablet computers, as well as non-vocal communication devices (such as digital photo frames, Wi-Fi routers and data cards) through our sales channels across Japan and overseas, and we also provide high-quality support services.

14.4%
T-Gaia's Market Share of Mobile Phone Sales <FY2011>



1 Creative sales strategies formed from good partnerships

We have been building good business partnerships with major telecommunications carriers in Japan and abroad. Based on the trust of our business partners, we actively promote flexible and creative sales strategies, catering to varying client needs by promptly responding to market trends, such as the full-scale penetration of smart-phones and tablet computers. In addition, one of our strengths is our ability to implement unique and creative business strategies by offering an extensive lineup of peripheral products, such as accessories, and contents, all of which are indispensable for mobile terminals, and developing new business models.

2 Development of appealing shops to suit the local environment

Not only our corporate head office but also our regional headquarters and branch offices that are responsible for an area implement local area marketing that best fits the local conditions of each area, while ensuring consistency with telecommunications carriers' regional strategies. Our shop concepts are largely divided into two types—suburban and city center types. We manage the entire business processes from project planning to shop operations in a comprehensive and elaborate manner to ensure that they fully meet the needs of each local area. By leveraging our ability to produce appealing shops that has been nurtured through years of experience, we have deployed "cutting-edge" mobile phone shops that focus on the enhancement of customer satisfaction (CS).



6.53 million units
Number of Mobile Handsets Sold by T-Gaia (including Pre-Paid Mobile Phones) <FY2011>

Telecommunications carriers (service providers)

NTT DOCOMO, au (KDDI), Softbank Mobil, and E-MOBILE, and so on
■ Development of telecommunications infrastructures
■ Provision of new services

Mobile phone sales industry

Characteristics of T-GAIA

- An extensive line-up
- High-quality sales agents
- Dependable after-sales service

Sells mobile phones through various channels



Users (Customers/Corporate Clients)

3 Cultivating professionals with expertise

It is our policy of valuing the importance of connecting with others that has encouraged us to provide comprehensive training for all staff who directly interact with customers at our directly managed and agents' mobile phone shops, as well as mobile phone shops at our client mass retailers and general merchandising stores (GMS). We launched "the TG Academy" this April for the purpose of upgrading and expanding our staff education and training programs. Our education and training programs primarily focus on enhancing frontline sales staff's ability to execute effectively, which is the basis of our business activities, with the objective of achieving quality improvements in sales. To be more specific, education and training are routinely provided for the development of "Supervisors (SV)" and "Shop Trainers", who become role models for frontline sales staff. In addition, we have developed "the TG Way", which is a guiding principle for all our sales staff, to ensure that all our staff fully recognize the social importance of the mobile phone sales business and our social responsibilities as a leading company and, at the same time, that we provide the best services to customers at all times.

130.47 million units
Total number of Subscribers for Mobile Phone/PHS in Japan <as of the end of June 2012>





Bases for Business Operations & Nationwide / Overseas Sales Network

» A Diversified Domestic and International Sales Channels

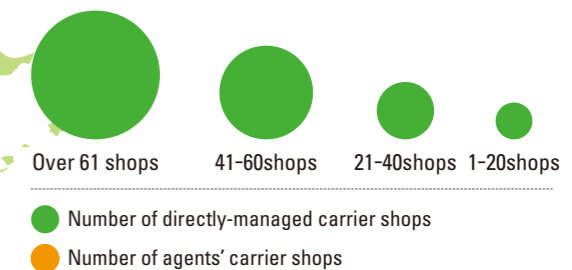
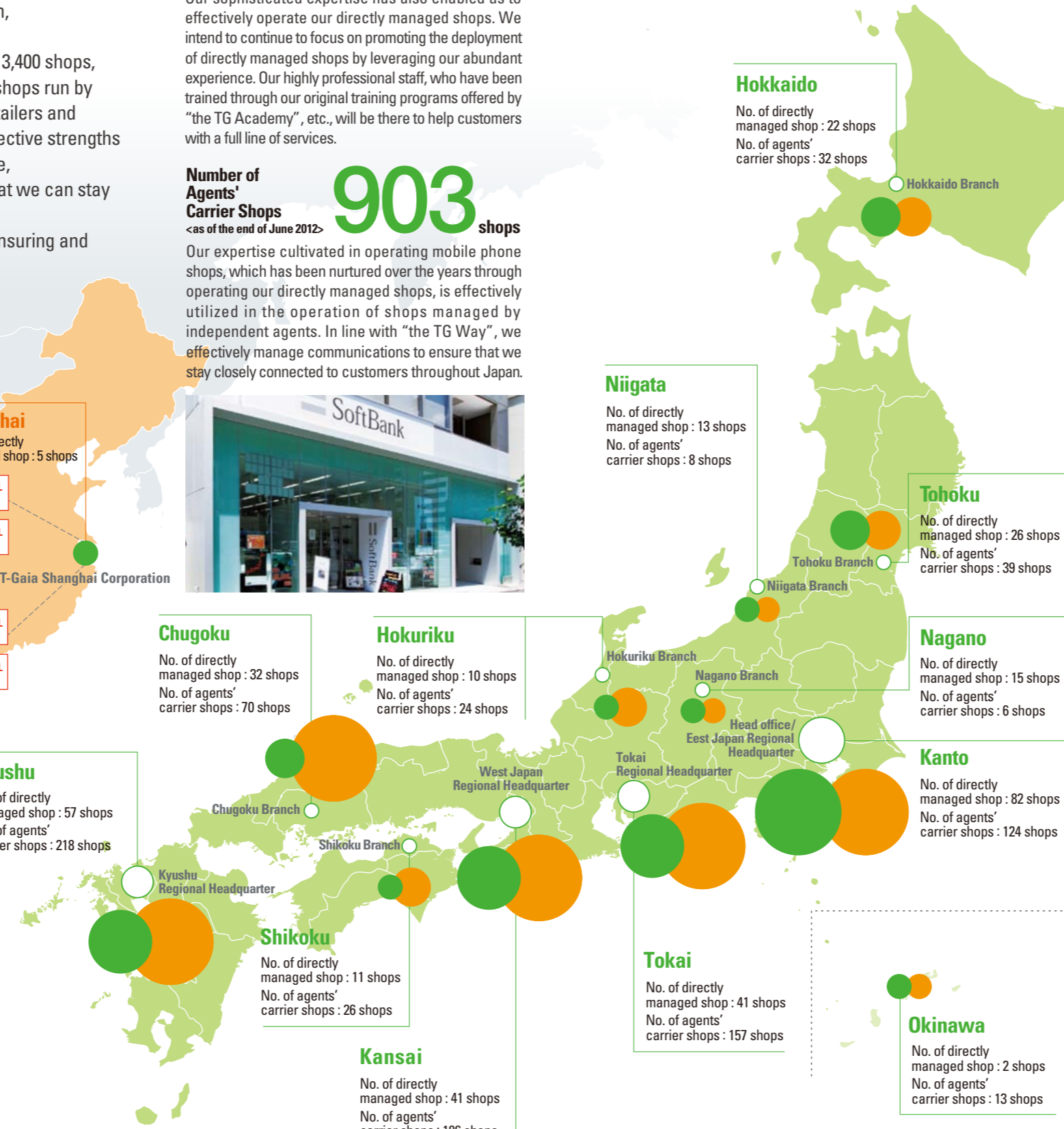
In addition to our sales network covering all of Japan, we launched sales operations in Shanghai, China. Our diverse sales channels consist of approximately 3,400 shops, ranging from our directly managed carrier shops to shops run by independent agents and shops at our client mass retailers and general merchandising stores (GMS). While our collective strengths and economy of scale are our competitive advantage, we also focus on better communication to ensure that we can stay connected to people in meaningful ways. Each of our sales outlets serves as the forefront of ensuring and keeping good communication with our customers. We are committed to providing high quality, courteous services to customers at all times.

Number of Directly-managed Carrier Shops
<as of the end of June 2012>
357 shops

Our sophisticated expertise has also enabled us to effectively operate our directly managed shops. We intend to continue to focus on promoting the deployment of directly managed shops by leveraging our abundant experience. Our highly professional staff, who have been trained through our original training programs offered by "the TG Academy", etc., will be there to help customers with a full line of services.

Number of Agents' Carrier Shops
<as of the end of June 2012>
903 shops

Our expertise cultivated in operating mobile phone shops, which has been nurtured over the years through operating our directly managed shops, is effectively utilized in the operation of shops managed by independent agents. In line with "the TG Way", we effectively manage communications to ensure that we stay closely connected to customers throughout Japan.



Head office, Regional Headquarters and Branch Offices	Address	Telephone Number
Head office	Ebisu Neonato 14-18F 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575	03-6409-1111
East Japan Regional Headquarter	Ebisu Neonato 16F 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575	03-6409-1111
West Japan Regional Headquarter	Dojima Avanza 15F, 1-6-20 Dojima, Kita-ku, Osaka City, Osaka Prefecture 530-0003	06-4560-6600
Tokai Regional Headquarter	Nagoya Intercity 6-7F, 1-11-11 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture 460-0003	052-223-8700
Kyushu Regional Headquarter	Hakata Gion Center Place 10F, 7-20 Gionmachi, Hakata-ku, Fukuoka City, Fukuoka Prefecture 812-0038	092-283-7600
Hokkaido Branch	Sumitomo Corp. Fukamiya Odori Bldg. 8F, 8-2 Odori-nishi, Chuo-ku, Sapporo City, Hokkaido 060-0042	011-241-2525
Tohoku Branch	Renart Sendai 13F, 2-15-1 Honcho, Aoba-ku, Sendai City, Miyagi Prefecture 980-0014	022-713-6001
Niigata Branch	N-Bldg. 3F, 1-1-24 Kamitokoro, Chuo-ku, Niigata City, Niigata Prefecture 950-0994	025-247-7077
Nagano Branch	Eastgate Nagano Bldg. 6F, 991-1 Kurita, Nagano City, Nagano Prefecture 380-0921	026-267-7220
Hokuriku Branch	Kanazawa Park Bldg. 3F, 3-1-1 Hirooka, Kanazawa City, Ishikawa Prefecture 920-0031	076-222-3300
Chugoku Branch	Hiroshima Green Bldg. 8F, 8-12 Nakamachi, Naka-ku, Hiroshima City, Hiroshima Prefecture 730-0037	082-546-2811
Shikoku Branch	Nissei Takamatsu Bldg. 9F, 1-1-5 Bancho Takamatsu City, Kagawa Prefecture 760-0017	087-811-2361
T-Gaia Shanghai Corporation	Room1803, 18F TowerB, City Center of Shanghai, 100 Zunyi Rd., Shanghai 200051, China	+86-21-6073-0588





Solution Marketing Business

Proposing tomorrow's telecommunication solutions in a creative manner

We, T-Gaia, as the primary agent for telecommunication operators, will contribute to create tomorrow's telecommunications environment by exerting our three characteristics, which are good partnerships with all major telecom operators, skill of proposals for a variety of products adapted to the market, and excellent sales and marketing operations throughout the country.

1 Steadily growing sales for corporate clients through effective consulting services

Mobile phones, smart-phones, tablet computers, and other mobile communication devices have become extremely important information assets for corporations. But, they often face a major challenge in properly operating these communication devices because their service contents are becoming increasingly sophisticated and diversified. The Solution Marketing Business Division offers optimal plans and solutions for operating these communication devices that adequately respond to changes in the social environment, such as complying with the Personal Information Protection Act and the Financial Instruments and Exchange Act, which is also known as the Japanese version of the Sarbanes-Oxley Act, or J-SOX, and addressing security measures, as well as meeting specific requirements and varying needs of customers.

3 T-GAIA Smart SUPPORT provides comprehensive support to corporate clients.

We offer "the T-GAIA Smart SUPPORT", our solution package that is developed by thoroughly understanding each corporate client's current situation through hearings and is designed to meet their individual needs, providing corporate clients with comprehensive support, ranging from the management of communication devices to the optimization of communication costs.



Major telecommunication operator business counterparts (service providers)

Mobile Telecommunications Business (for corporate clients)	Communication Network Service
NTT DOCOMO, au (KDDI), Softbank Mobile, and E-MOBILE, and so on ■ Development of communications infrastructures ■ Provision of new services	NTT East, NTT West, NTT Communications, KDDI, Softbank Telecom, CTC (Chubu Telecommunications), STnet (Shikoku Electric Power Company Group), QTNet (Kyushu Telecommunication Network Co., Inc.), etc. ■ Development of communications infrastructures ■ Provision of new services

2 movino star — a total platform for management, operation, accounting, and settlement relating to telecommunications.

With the rapid popularization of smart-phones, tablet computers, etc., telecommunication devices have become increasingly more diverse each year. Given these circumstances, we offer movino star, our application service provider (ASP) managed services, that caters to a broad range of needs for the management and operation of a variety of telecommunication devices and fixed-line telephones that are in use by corporate clients. With the combined use of our unique consulting services, movino star also helps corporate clients more effectively achieve improved operating efficiency and cost reductions.



Five Solutions Offered by T-GAIA Smart SUPPORT

1 Help Desk	Help Desk services enable administrators to reduce their workload by handling employee inquiries on their behalf.
2 Security Desk	Security Desk services provide security measures 24 hours a day & 365 days a year.
3 Kitting Services	Kitting Services enable one to use a terminal without an initial setup.
4 Consulting Services	Consulting Services help optimize communication costs as well as help analyze cost reductions.
5 Master Management Services	movino star helps perform a variety of administration duties on behalf of customers.



4 Mobile device management (MDM): mdport solution provides a full range of security measures.

The mdport solution is our mobile device management (MDM) tool that performs a variety of functions, ranging from an integrated management of configuration settings and information of devices to handling theft or loss of devices and controlling their use environments. In the event that a client loses a smart-phone, with mdport solution, it is possible to properly control the smart-phone remotely, such as remote locking or remote wiping (to delete information). The mdport solution enables corporate clients to resolve a variety of security-related problems with devices, including a reduction in administrators' workload.

6 Contributing to a prosperous network environment

At the center of our Communication Network Service is the penetration/expansion of broadband services with optical fiber networks as the primary axis. Throughout the country, we are making efforts to establish a stronger sales network, including developing and cultivating dominant agents as well as expanding various new sales channels. Furthermore, we will aggressively work on the diversification of sales methods; such as including various content services, e.g. IP telephony and video related services; providing services that match the market needs, for example expanding the line-up of combination products; creating new markets through alliances with corporations in different industries; and taking in the corporate market needs. Business models are about to go through major changes with the coming of the next-generation networks, which will broaden the possibilities of information communication. We will proactively take on the challenges to propose new network services for the full introduction of FMC, such as the convergence with wireless, in light of the debut of femtocells and the proliferation of WiFi and contribute to the building of a prosperous network environment for the future.

Number of broadband service subscribers <as of end of March 2012>

34.72 million subscribers

5 Contributing to the further advancement of telecommunications infrastructure through a rapidly growing machine-to-machine (M2M) business.

Machine-to-machine (M2M) services, in which machines are connected to one another via networks, have already played an important role in our daily lives as convenient services, such as remotely controlling an on-board unit or a power monitoring system. Going forward, it is expected that an increasing number of devices will be connected via networks with a larger number of users to subscribe to M2M services, thereby resulting in the further growth of the M2M business. Given this situation, the Solution Marketing Business Division offers telecommunication services that can meet a broad range of client needs assuming many different potential uses of M2M services, thus aiming to contribute to the further development of the telecommunications infrastructure.

7 Provision of total support to corporate clients in both Japan and China

It is our policy of valuing the importance of connecting to others that has encouraged us to provide comprehensive training for all staff who directly interact with customers at our directly managed and agents' mobile phone shops, as well as mobile phone shops at our client mass retailers and other sales outlets. We encourage frontline staff to improve their qualifications by leveraging abundant expertise and experience in the field. We develop and train professional sales staff who have a comprehensive knowledge of mobile phones backed up by a variety of accumulated expertise ranging from abundant professional knowledge, including the ability to explain to customers about products and rate plans, to the skills of taking care of customers.





Overseas Business Initiatives

In emerging countries, migration from the second-generation mobile phones centering on the prepaid type to the postpaid type mobile phones in the third generation is taking place rapidly. In addition, migration to the early LTE (3.9G) phones is also scheduled and as is the case in Japan, smartphones are becoming the mainstream in the sale of mobile phones. In such market trends, we intend to branch out into overseas markets, particularly into significantly growing markets in China and other Asian nations, by leveraging our sales know-how that we have cultivated in Japan.



1 China

Carrier Shop Operations

In August 2010, we concluded an agency agreement with China Unicom Shanghai Branch, a leading telecommunications carrier in China, and established "T-Gaia Shanghai Corporation, our first overseas subsidiary. We have a total of six "China Unicom Shops" in operation in Shanghai as of July 2012. We make sure that customers are taken care of with politeness in accordance with Japanese service standards at our Shanghai shops. As a result, we have a long list of satisfied customers among Japanese people living in China as well as local Chinese people.

Solution Marketing Business

We make sales & marketing for corporate clients in China by leveraging the expertise we have nurtured in the Japanese market. Our corporate clients in China are primarily Japanese-affiliated companies, and we sell mobile phones and provide mobile solutions to them, as well as offer consulting services about management and operational improvements relating to mobile phones and mobile solutions. We aim to provide leading-edge solutions to our corporate clients in China and serve them with the same quality of services that we provide in Japan.



2 Other emerging countries

By closely monitoring the timing for the transition to third generation or post-paid mobile phones, as well as the pace of economic growth, in emerging markets, we explore the possibilities of entering emerging markets in business areas where we can best leverage our sales expertise accumulated in the Japanese market, primarily focusing on the sales of mobile terminals, consulting services about shop operations, solution marketing business, and their peripheral businesses.



Settlement Service & Other Business



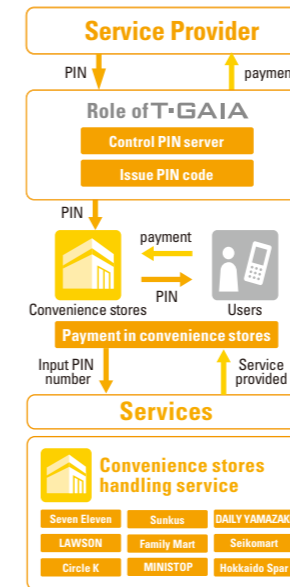
Continuing to take on a challenge to create new corporate value

For new business, we have focused on settlement services and will pursue further development. In an effort to create new corporate value, we continue to create new business opportunities, such as the further promotion of overseas business.

1 Rapidly expanding prepaid settlement service

Our settlement-related business, which started with the sale of prepaid mobile phones, have been rapidly expanding by capitalizing on our long-developed sales channel of convenience stores and now includes the sale of real cards and the online settlement service enabled by the use of PINs (Personal Identification Numbers).

Additionally, we launched our new Gift Card Mall business last year by leveraging our expertise in sales by using PIN codes and our extensive network of participating convenience stores. We aim to achieve further growth also in our GIFT Card Mall business.



3 Gift Card Mall Business

As a new initiative in our settlement services, we launched the Gift Card Mall Business whose market is expected to gear up for full-scale expansion in Japan going forward. To promote this new business, we are currently in the process of expanding sales channels and increasing the number of participating gift card issuers. By leveraging our expertise that has been nurtured through the sales of mobile phones and the sales of settlement services by using PIN codes at convenience stores, we offer fine-tuned services, such as delivery of gift cards that are best suited for each sales channel, over the counter (OTC) promotions, and call center operations. Through the growth of this new business, we aim to create so-called "casual gift market" in Japan.

*iTunes is a registered trademark of Apple Inc. in the United States and/or other countries.
*GREE is a registered trademark of GREE Inc.

2 Extensive network with convenience stores

Our settlement service is being offered in major convenience stores, which are part of a vast sales channel network covering almost all convenience stores in Japan.

- For mobile phones Settlement of calling rate for prepaid & postpaid mobile phones
- For overseas calls Settlement of overseas calls
- Electronic money Convenient & secured general-purpose e-money
- For variety of products iTunes Card, cards for online shopping giants & various game cards, etc



Sample of prepaid card (back side/after being scratched off)

PIN Personal Identification Number
It is an identification number to which the amount information is attached by using a string of letters comprising a combination of alphanumeric characters. Also, it is a generic name for prepaid online money used in payment for online shopping, online game, music distribution services, and the charges for international phone calls and calls via prepaid mobile phone.

* Wii, Nintendo DS, and Nintendo 3DS are either registered trademarks or trademarks of Nintendo Co., Ltd.

43,340 stores

Number of convenience stores where T-gaia offering the settlement service <as of the end of June 2012>



Management Strategy for Future Growth

While consolidating existing businesses to achieve sustainable growth, we aim to build a new revenue base by creating new and overseas businesses and achieve medium- to long-term growth by proactively promoting three shinka (new development, deepening, and evolution). In an effort to realize continuous growth and build a new revenue base through the creation of new and overseas businesses while consolidating the existing businesses, we proactively promote the after-mentioned three-directional effort, named "SHINKA" aiming at medium- to long-term growth.

Proactively Advancing Three-directional Effort, named "SHINKA", which means "Revolution", "Deepening" and "Evolution" in Japanese Pronunciation, for Further Business Growth over the Medium & Long Term

1 "Revolution"

- Establishing New Business Mode**
- Establishment of New Earnings Platform
 - Proactively engaging in new business fields centralized on solution services using devices and applications that are diversifying into new business model
 - Entering overseas markets and launching overseas business initiatives focusing on operations in China

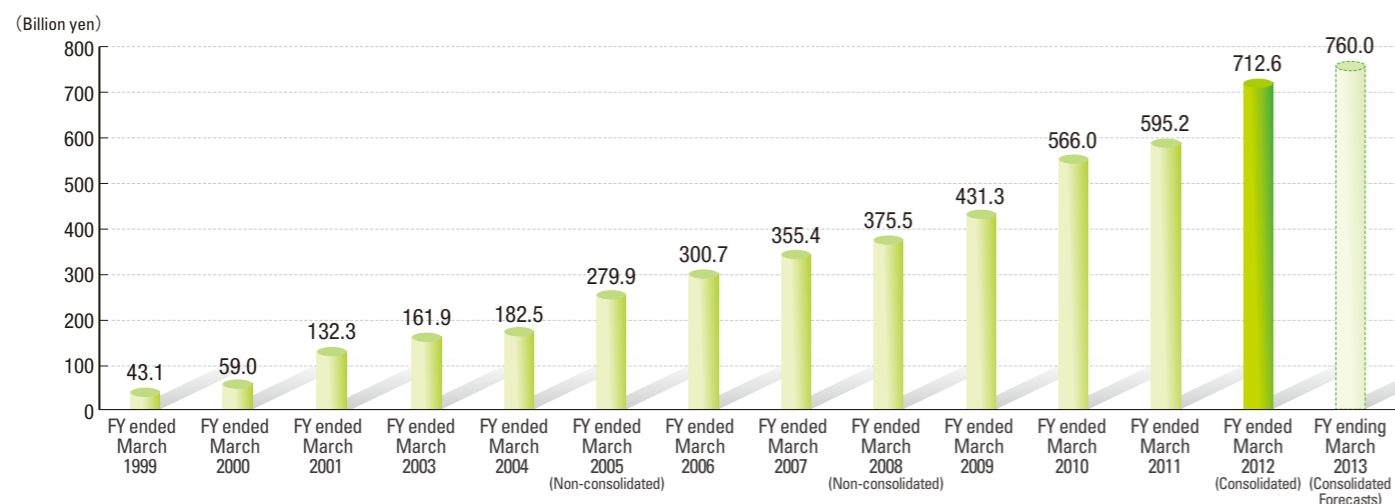
2 "Deeping"

- Increasing Depth of Existing Business Model**
- Maximization of Customer Satisfaction
 - Increasing & strengthening sales networks and enhancing quality of sales
 - Developing new merchandize resources and providing services with high added value

3 "Evolution"

- Further Progress in Management Base**
- Innovation of Internal Infrastructure
 - Promoting development of human resources capable of dealing with new business models & global initiatives
 - Creating internal framework that appreciates & promotes spirit of challenge
 - Creating & introducing next version of newly upgraded main system

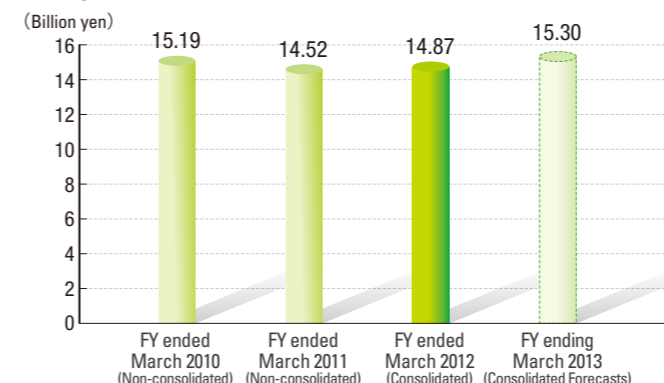
Longitudinal Data on Net Sales



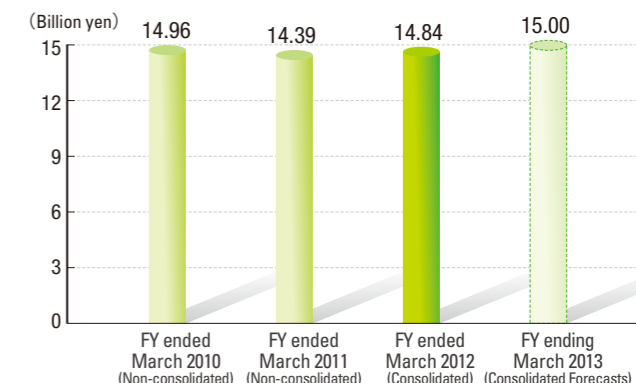
Note : Financial results for 02/03 have been omitted as the fiscal year lasted for only 3 months due to change of the accounting term.
 Note : The consolidated financial results are shown for the fiscal year ended March 2005 by reflecting that JRC Mobitec Co., Ltd. became a subsidiary as of December 2003.
 Note : Telepark Corp. and MS Communications Company, Limited merged as of October 1, 2008 and the company name was changed to T-Gaia Corporation.
 Therefore, the financial results for the FY ended March 2009 was calculated by adding results of the first half for Telepark Corp. to results of the second half for T-Gaia Corp.
 Note : The Company prepared consolidated financial statements from the third quarter of the fiscal year ended March 2008 by reflecting that Telecom Park Co., Ltd. (formerly Telecom Sanyo Co., Ltd.) became a subsidiary as of October 1, 2007.
 Note : The Company started preparing consolidated financial statements from the third quarter of the fiscal year ended March 2012 by reflecting that TG Miyazaki Co., Ltd. became a subsidiary as of December 1, 2011.

Income & Total Assets

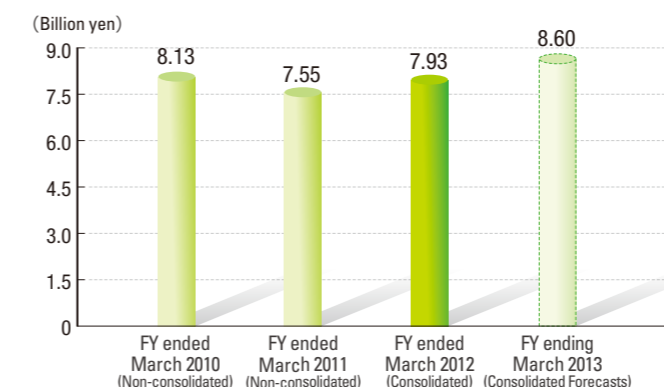
Operating Income



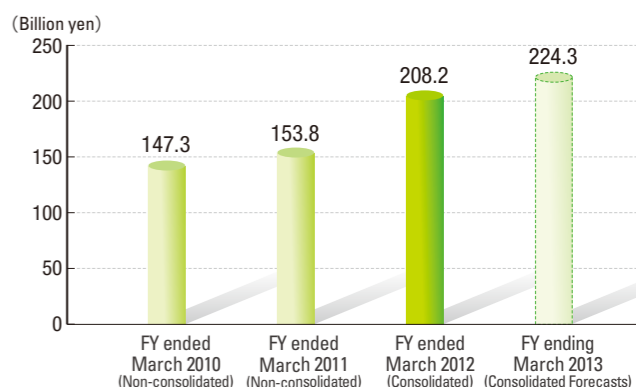
Ordinary Income



Net Income

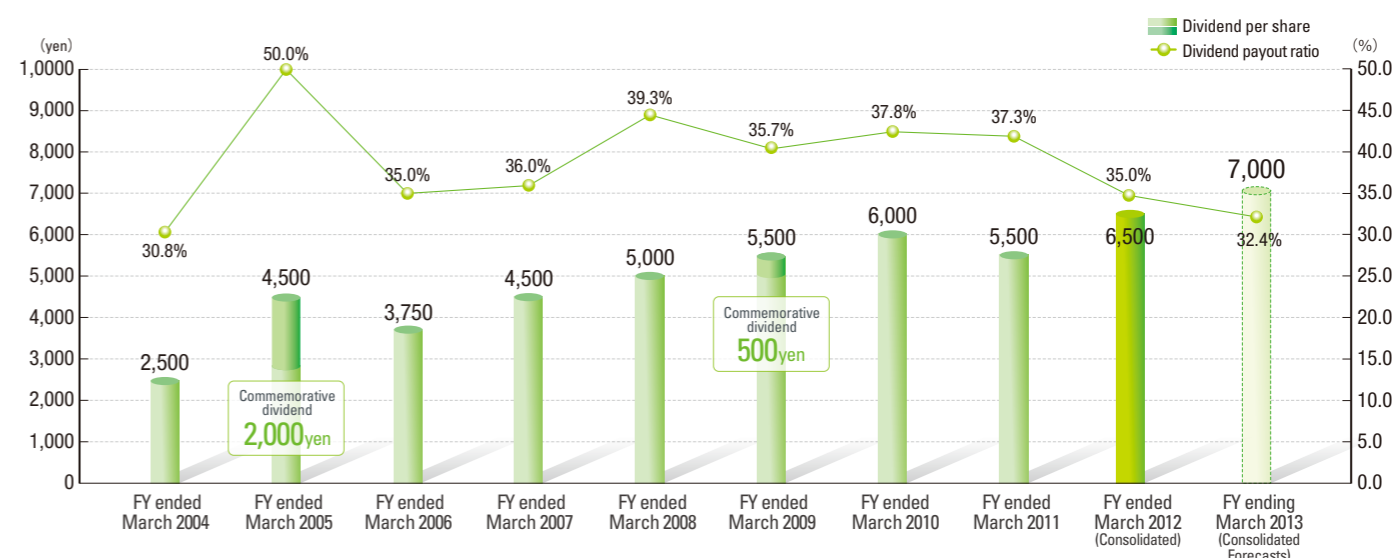


Total Assets



Note: The Company has started to prepare consolidated financial statements from the third quarter of the fiscal year ended March 2012 by reflecting that TG Miyazaki Co., Ltd. became a subsidiary as of December 1, 2011. However, as the effects of the consolidation on the Company's business performance are minor for the fiscal year ended March 2012 and are expected to be similar for the fiscal year ending March 2013 also, unconsolidated financial results are shown, as a reference, for the fiscal year ended March 2011 and the preceding fiscal years.

Transition of Dividend



Note: The forecast of payout ratio for the fiscal year ending March 2013 is calculated based on the average number of shares outstanding during the fiscal year, considering 26,985 treasury shares acquired on May 17, 2012. Please note that the amount of the forecast of dividend for the fiscal year as shown above does not reflect the impact of "the 1-for-200 Stock Split" that is scheduled to implement on the effective date of October 1, 2012.

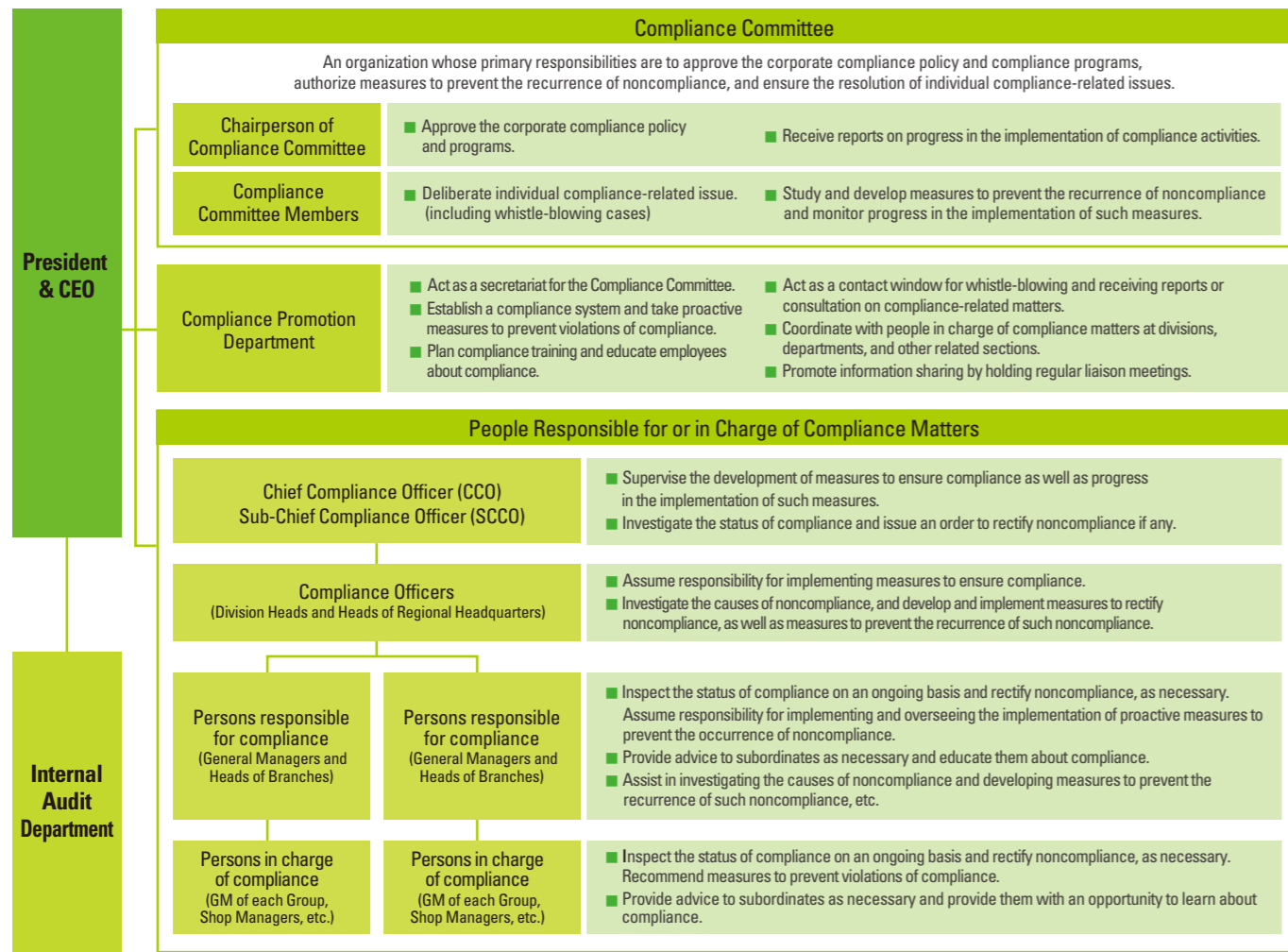


Compliance

Compliance is one of the top priorities in our business. To ensure compliance, “the Compliance Committee”, which comprises the Chief Compliance Officer (CCO) as its committee chairperson and Managing Officers as the core committee members, is established for the purpose of reviewing compliance-related issues and taking appropriate improvement actions to address them separately from the regular reporting line of authority. In addition, we have established the Compliance Promotion Department, which directly reports to the President & Chief Executive Officer (CEO), as a permanent organization designed to promote compliance throughout the Company. The Compliance Promotion Department upgrades and enhances the Company’s compliance system on an ongoing basis and conducts in-house compliance awareness activities, among other things, to ensure that awareness of our compliance obligations are maintained and enhanced among all officers and employees. We have effectively communicated the Company’s guiding principles for compliance to all officers and employees by establishing “the Compliance Rules” and distributing “the Compliance Manual” to them and educating them based on it. Additionally, in order to ensure early understanding of compliance issues and information on compliance risk, we have established multiple reporting and consultation channels for concerns or problems relating to compliance, which involve outside organizations and lawyers as the case may be, so as to provide consultation and counseling services for all employees.



Compliance Organization Chart



certification number : 10580069 (01)

T-Gaia Corporation obtained the PrivacyMark certification from the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) on July 7, 2011



PrivacyMark is a system of certifying business entities that have a system in place to take all necessary steps to protect personal information in accordance with the Japanese Industrial Standards Committee (JIS) Q 15001 Personal Information Protection Management Systems – Requirements, to grant the PrivacyMark to these entities for certification, and to allow the use of the mark in their business activities. While it provides many advantages, such as greater trust by client companies and customers and improved awareness of personal information among employees, it requires greater responsibility of these entities, that is, to take their commitment to the protection of personal information to a higher level. We will continue ongoing efforts to achieve the appropriate management of personal information and its continuous improvement.



Corporate Social Responsibility (CSR)

Stakeholders



By promoting the following CSR activities with the recognition of “Business Activities equal to CSR,” we aim to realize the Sustainable Growth of the Company and Society, while giving due consideration to various stakeholders. For us, CSR, which should be implemented by the company, is not only compliance, internal control, risk management and information disclosure but also sound business activities, provision of proper services to our customers, improvement of employees’ working environment, environmental conservation activities, and social action programs.



Major CSR activities, which have been conducted by T-Gaia Corporation & its employees

- We organized and made volunteer trips to areas devastated by the Great East Japan Earthquake.**
[Source: Japan Sports Association for the Disabled]
- We are an “Official Supporter of the Japan Paralympic Committee (JPC)” in collaboration with the Japan Sports Association for Disabled Persons.**
[Source: Japan Paralympic Committee]
- We promote “the CUP FOR TWO” Program in support of the activities of TABLE FOR TWO International, a non-profit organization.**
[Source: NPO TABLE FOR TWO International]
- We are a supporting member of The Eye Mate Inc.**
[Source: Eye mate Inc.]
- We are a registered supporter of “the Challenge 25 Campaign”, a national project promoted by the Ministry of the Environment. We have reinforced and pulled ahead of the implementation of “the Super Cool Biz” campaign with the aim of achieving a reduction in electricity use by 15%.**
[Source: Ministry of the Environment]
- As part of our mecenat activities (to provide support for arts and cultural activities), we sponsor “the Japan Philharmonic Orchestra”.**
[Source: Japan Philharmonic Orchestra]



|| TG Academy

In April 2012, we opened “the TG Academy”, an in-house educational and training institution, for the purpose of educating and training our sales staff. Education and training programs at “the TG Academy” primarily focus on enhancing “Front-line sales staff’s ability” to execute effectively to achieve ongoing quality improvements in sales so that higher customer satisfaction (CS) can be achieved at all times. Our sales staff members are required to go through a variety of training programs according to their years of experience, career development plans (CDP), and other criteria. Such training programs include staff training when they are newly assigned to shops; training to improve the skills of taking care of customers; skills enhancement training in preparation for a variety of sales staff contests sponsored by telecommunications carriers to compete in the skills of serving customers with courtesy, friendliness, and respect; and training to prepare sales staff for qualification tests, among others. Our sales staff members are also required to attend content-rich education and training sessions offered by “Supervisors (SV)” and “Shop Trainers” (both positions are newly established).



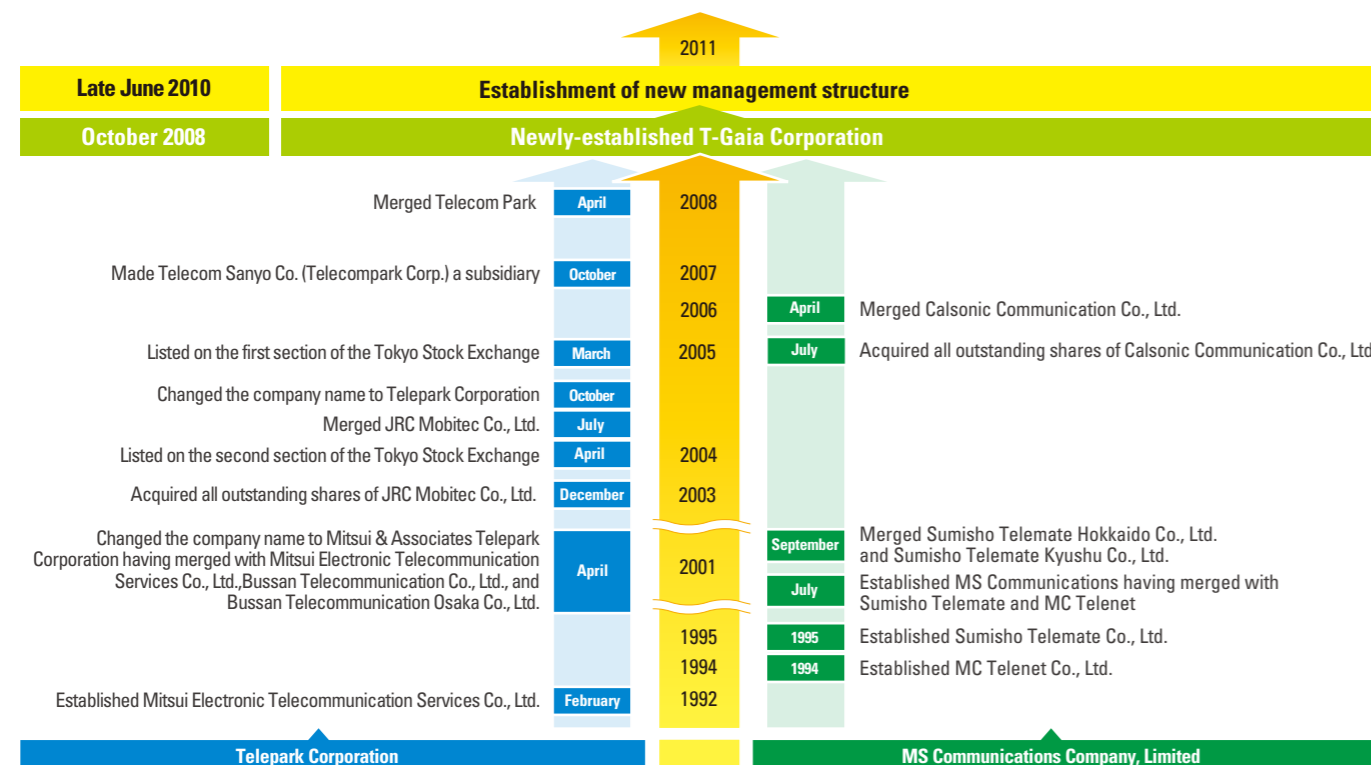
By assigning to each of our directly managed shops across Japan our sales staff members who have been fully educated and trained through these extensive educational and training programs, we plan to further strengthen the overall sales capabilities of our shops nationwide.



In addition, we have expanded training programs that are geared to the types of job, such as “Shop Manager Training”, which is targeted at the shop managers of carrier shops across the nation, and “Route Sales Representative (or Rounder*) Training”, which is targeted at route sales representatives who make the rounds of client mass retailers. In order to ensure that all our sales staff members share the same understanding of our marketing approach, the social significance of our sales operations, and other matters, we also communicate “the TG Way”, which is an all-important guiding principle for our sales staff, to them at the time of training so that they fully understand and implement this guiding principle. Additionally, we post on the Company’s intranet a list of names of those sales staff who have passed qualification tests, customer compliments for good service by our sales staff, and the results of sales staff contests to compete in the skills of serving customers, among other things, in an effort to further improve the awareness and motivation of our sales staff members.

*A route sales representative makes the rounds of home appliance mass retailers that sell mobile phones or the mobile phone sales sections of general merchandising stores in his/her territory and follows up on their sales activities by restocking or deploying products for sales promotion campaign, setting up a store or sales space, and gathering information, among other things.

|| Corporate History




|| Origin Of The Name

Our corporate name represents our commitment that we “aim to become a grand company like the earth nurturing the lives of all people across the world by continuing bold challenges with integrity toward the future.” This commitment is also reflected in our corporate philosophy.



|| About Corporate Mark



The corporate mark of T-GAIA is a futuristic and innovative mark designed from the initials TG. The dynamic G that spreads from the core, a bright T, emphasizes young, powerful energy and momentum, and represents an enterprising spirit and innovativeness that continue to take on challenges toward the future. The dynamic mark that communicates a sense of speed represents our company that leads the world with the strong leadership in the midst of rapidly changing society.

|| TG Value

We have laid down TG Values to show the profile of desired employees in a specific and easy-to-understand manner. Values are the requirements, abilities, behavior, and attitude, which the company requires of all employees, to realize its management vision and business strategies. Also in our recruitment activities, we seek human resources that can share the common understanding of the TG Values and embody them through specific actions.

Human Resources that can share the common understanding of the TG Values and embody them through specific actions (Value & Performance)

<p>1 ▶▶ Challenge</p> <p>Challenge is the basic spirit our employees should have as they conduct their day-to-day operations. We value the unyielding spirit that enables one to voluntarily engage in and complete his/her work toward high objectives.</p>	<p>2 ▶▶ Change</p> <p>We believe that the mindset free from conventions, which enables people to tackle their tasks from a freer perspective and to change the status quo, will lead to the creation of new services and the further development of the company. We seek people who are not preoccupied with maintaining the status quo, but those who can give rise to improvement, reform, and creation.</p>	<p>3 ▶▶ Communication & Teamwork</p> <p>Good work is based on good human relationships. We value teamwork to carry out tasks sometimes by involving others and at other times by displaying strong leadership. Collaborating with other divisions and teams from the spirit of for the company will enable the company to provide high quality services.</p>	
<p>4 ▶▶ Speed</p> <p>Speed is an indispensable factor for converting the changes in business environment to business opportunities. We expect our employees to accurately assess the social situation, understand and judge it in a speedy manner, and act on the judgment.</p>	<p>5 ▶▶ Professional</p> <p>We expect each employee to have awareness as a professional and to strive to acquire and maintain high expertise and skills. The provision of high-quality services based on the professional orientation of employees results in high customer satisfaction and contribution to society.</p>	<p>6 ▶▶ Development of Human Resources</p> <p>In order for a company to continuously develop, it is essential for employees to grow with the company. We focus on the development of human resources, which promotes and supports the growth of each employee, and seek people who can dedicate themselves to the nurturing of their subordinates and juniors through development and guiding activities.</p>	<p>7 ▶▶ Compliance</p> <p>We uphold compliance as the prerequisite for carrying out daily operations and always act with integrity while keeping ethics in mind. Since earning social trust will lead to the survival of our company, we should be responsible for what we do and say and never engage in behavior that violates compliance regulations.</p>



T-GAIA CORPORATION

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