



T-GAIA CORPORATION ANNUAL REPORT 2013





CHALLENGE TOMORROW

「現場主義の徹底」による
「スマホ・ワールドの実現」

"Realization of Smart-phone World"
based on "Throughout Hands on Approach".



MS Communications Company, Limited and Telepark Corp. merged and started as T-Gaia Corporation in October 2008. We celebrate the fifth anniversary this year. We appreciate a variety of stakeholders including mobile phone users, telecommunication carriers, and partner agents who have supported the sales industry with us for their assistance that allows us to continue development for a long time since the foundation. As you may know, the world of mobile phones has entered the full-scale smart-phone era. The communication world has made dramatic progress with an increasing number of contents and applications in addition to a wider range of devices including standard terminals as well as tablets and evolution of communication technologies such as wireless broadband represented by LTE.

T-Gaia aims to provide the live rich smart-phone life for customers and evolve with them under new management in this fiscal year. We closely work with telecommunication carriers through information exchange, organically link a variety of items related to the smart-phone life from the terminals, peripheral products such as accessories and contents through settlement services using the smart-phone, and offer them to customers to constantly lead the smart-phone life.

We would like to ask for your continuous support and guidance in the years to come.

竹岡 哲朗

Tetsuro Takeoka,

President & CEO (Chief Executive Officer)

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T-Gaia celebrates the fifth anniversary this year. We have started new challenges to "Realize a Rich Smart-phone World" with the slogan of "CHALLENGE TOMORROW."

CHALLENGE TOMORROW

Throughout hands on approach

Our sales staff in the field and back-office staff work together for high operational quality.

Realization of smart-phone world

We provide customers with a rich smart-phone life from the terminals, peripheral products, solutions through the settlement function.

TG Academy

We value human resources. We utilize an internal training/educational institution, TG Academy, to promote enhancing and expanding the shop function.

Smart Labo

Through deployment of a smart-phone accessory shop, "Smart Labo," we will further specialize and sophisticate our sales channels.

Overseas strategies

We will actively open China Unicom shops in Shanghai and enhance the solution services for corporate customers.

Corporate Philosophy

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



T-GAIA

Challenge take on "Challenges"

Tomorrow toward a better "Tomorrow."

Integrity 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.



T-GAIA
CHALLENGE TOMORROW

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.

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.

Effective 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 effective sales 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.

Development of appealing shops to suit the local environment

Not only our corporate head office but also our regional headquarters and branch offices across Japan 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).

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 business partners such as large retail stores and general merchandising stores (GMS). We launched "the TG Academy" in April 2012 and have promoted education and training to address "the age of smart-phone." In addition, 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.

137.98 million units

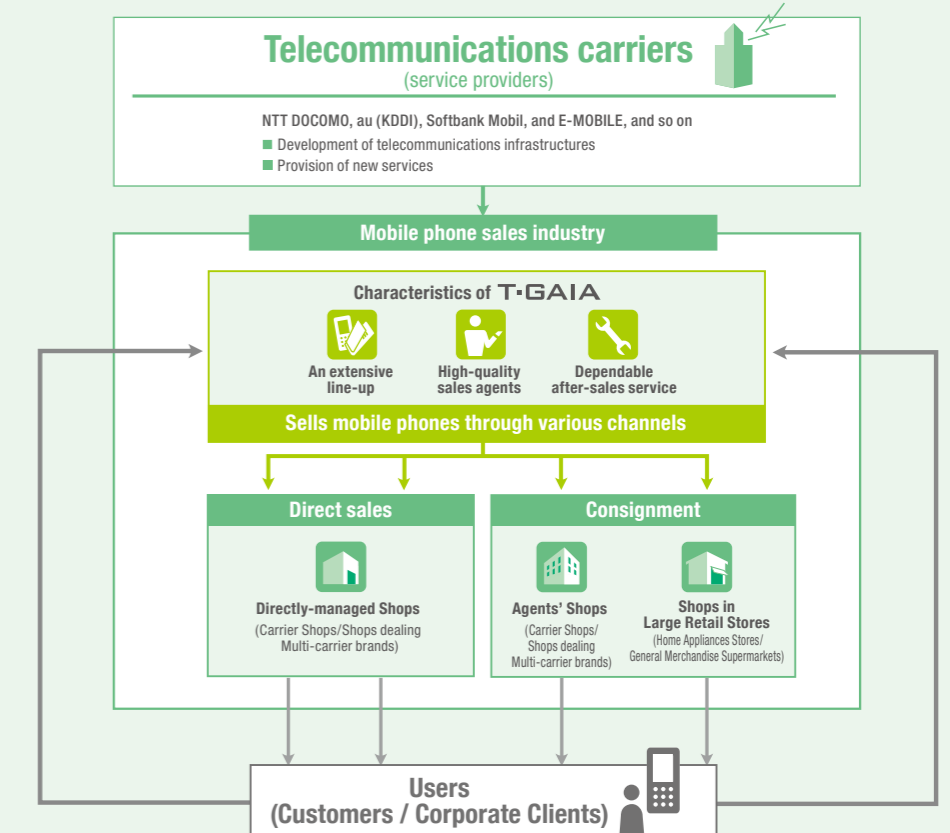
Total number of subscribers for mobile phone/PHS in Japan <as of the end of May 2013>

6.3 million units

Number of mobile handsets sold by T-Gaia in Japan (including pre-paid mobile phones) <FY2012>

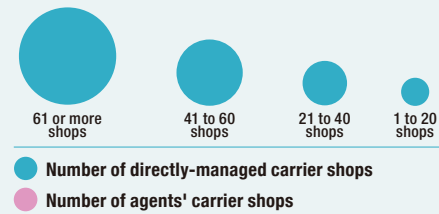
14.4%

T-Gaia's market share in mobile phone sales in Japan <FY2012>

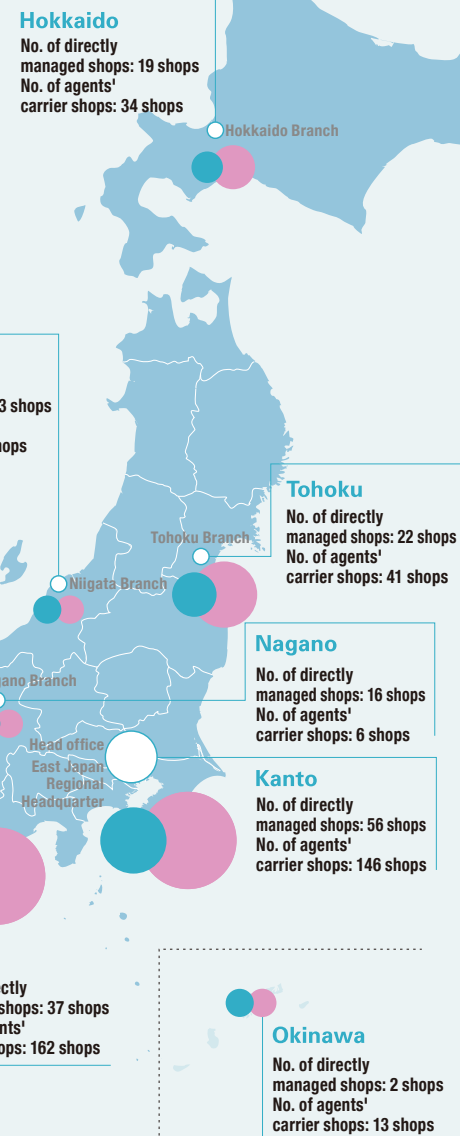


Our sales network covers Japan nationwide. Our diverse sales channels consist of approximately 3,100 shops, ranging from our directly managed carrier shops to shops run by independent agents and shops at our business partners such as large retail stores and general merchandising stores (GMS). While our collective strengths and economy of scale are our competitive advantages, we also focus on better communication to ensure that we can stay connected to people in meaningful ways. Each of our shops serves as the forefront of ensuring and keeping good communication with our customers. We are committed to providing high quality attentive services to customers at all times.

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	Room 2906-10, 29F Tower A, City Center of Shanghai, 100 Zunyi Rd., Changning District, Shanghai 200051, China	+86-21-6073-0588



1,241 shops
Number of our group carrier shops (in Japan)
<as of the end of March 2013>



Directly-managed shop with advanced expertise

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.



Cooperating with shops operated by agents

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.



Opened an in-house internal training/educational institution to further strengthen front-line sales staff's ability

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 34 "Supervisors (SV)" (as of the end of March 2013) and "Shop Trainers" (both positions are newly established). By assigning our sales staff members who have been fully educated and trained through these extensive educational and training programs to each of our directly managed shops across Japan, we plan to further strengthen the 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 large retail stores. In order to ensure that all our sales staff members share common perceptions about 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.



CHALLENGE TOMORROW

スマホワールドの実現を目標に
スピーディなスタッフ育成を目指します。
To realization of smartphone world,
we aim to develop human resources rapidly.

Making individual smart-phone life much more enjoyable

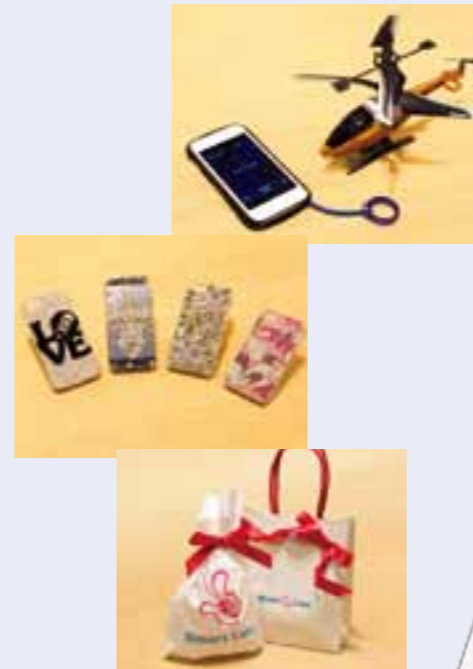
"Smart Labo" is the brand name of our smart-phone accessory shops.

We opened the first Smart Labo shop in November 2012 to address expansion of the accessory market in line with the full-scale spread of smart-phones.

We make a variety of offers to provide customers with a rich smart-phone life.

Sales of smart-phones, tablets, and a wide range of accessories

Smart Labo offers a wide range of accessories including the cases and protective films for iOS and Android terminals, speakers, bags, and unique products suitable as gift. To meet the needs of fashion-oriented young customers, we also have a wide lineup of fashionable design products and items available only in Smart Labo. We try to help each customer enjoy the smart-phone life more smartly and freely in the way suitable for their characteristics and styles.



Stable increase in sales and expansion of business area

The market size of smart-phone peripheral products is expected to reach 189 billion yen in FY2012 and 240.5 billion yen in FY2016 (according to a survey conducted by MM Research Institute). To address the annually increasing needs, we plan to continue to open Smart Labo shops across Japan including "Smart Labo Chiba PARCO", which we opened as the first Smart Labo shop in the Kanto area in April 2013.



[Smart Labo shops]
November 2012 Hiroshima Hondori, Hiroshima
November 2012 Matsumoto PARCO, Nagano
November 2012 Yume Town Mitoyo, Kagawa
March 2013 Shinsaibashi, Osaka
March 2013 Okaidochuo, Ehime
April 2013 Chiba PARCO, Chiba


CHALLENGE TOMORROW

スマホを
ファッションの一部に。
We'll make the smart-phone a part of fashion.

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.


Major telecommunication operator business counterparts (service providers)

Mobile Telecommunications Business
(for corporate clients)



NTT DOCOMO,
au (KDDI),
Softbank Mobile,
and E-MOBILE,
and so on

Communication Network Service



NTT East, NTT West,
NTT Communications, KDDI,
Softbank Telecom,
CTC (Chubu Telecommunications),
STnet (Shikoku Electric Power Company Group),
QTNnet (Kyushu Telecommunication Network Co., Inc.),
etc.

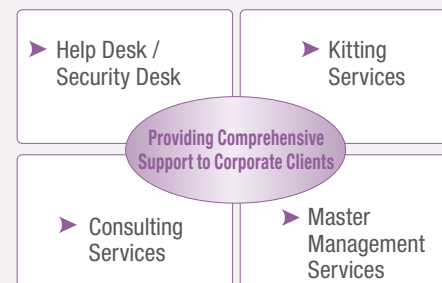


movino star — a total platform for management, operation, accounting, and settlement relating to telecommunications

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.

T-GAIA Smart SUPPORT provides comprehensive support to corporate clients

We offer "the T-GAIA Smart SUPPORT", our solution package that meets the individual needs of each corporate client, providing our clients with comprehensive support, ranging from the management of communication devices to the optimization of communication costs.



Steadily growing sales for corporate clients through 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. Business & Broadband Solution Marketing 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 corporate clients.

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.



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.



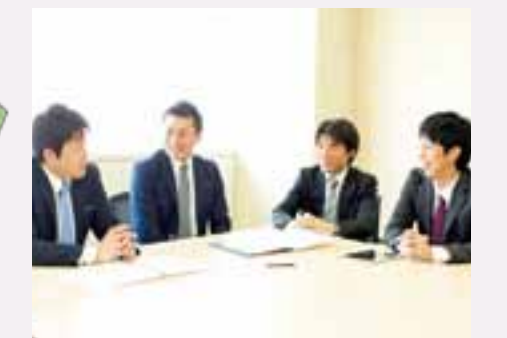
Contributing to the further advancement of telecommunications infrastructure through a rapidly growing machine-to-machine (M2M) business

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 Business & Broadband Solution Marketing 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.

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. video related services; providing services that match the market needs, for example expanding the line-up of combination products; offering usage scenarios; creating new markets through alliances with corporations in different industries; and taking in our corporate clients' 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 services such as rental devices and lifecycle management in light of the full-scale introduction of tablet computers enabled by spread of Wi-Fi and contribute toward the building of a prosperous network environment for the future.



Settlement Service Business

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.

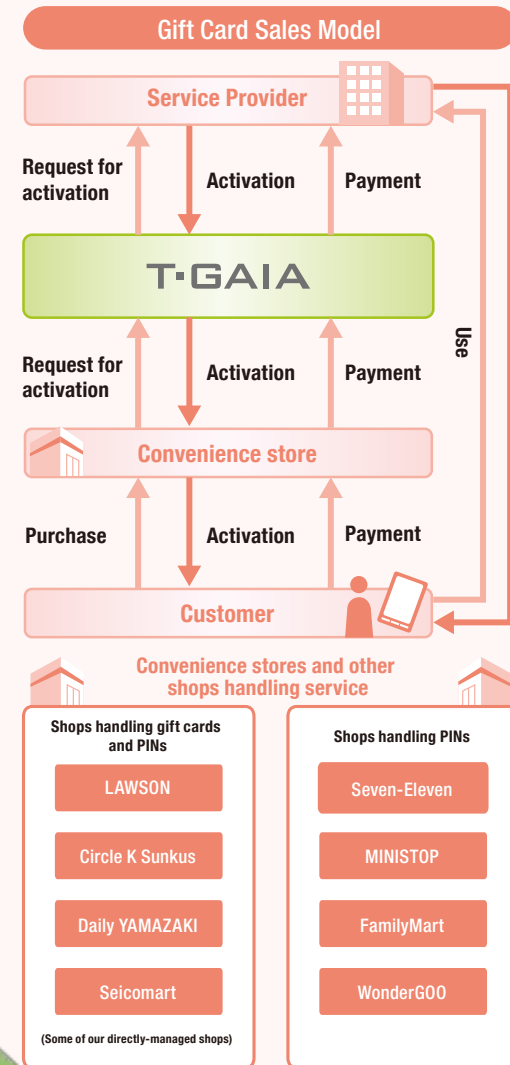
Rapidly expanding prepaid settlement service

Our prepaid-related business, which started with the sale of prepaid mobile phones, have been stably 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 in FY2011 by leveraging our expertise in sales of PIN codes and our extensive network of participating convenience stores. We aim to achieve further growth also in our new business area.

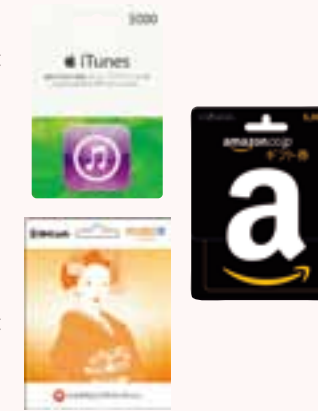
45,600 stores

Number of convenience stores where T-Gaia offering the settlement service <as of the end of March 2013>



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.
* The Amazon.co.jp logo is a trademark of Amazon.com, Inc. and its associated companies.

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



*** 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.



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

Expanding business in overseas markets leveraging our sales expertise accumulated in Japan

Overseas business

In China, 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, smart-phones are becoming the mainstream in the sale of mobile phones. In such market trends, we intend to branch out into overseas markets, particularly into the significantly growing market in China with a view to new business development, by leveraging our sales know-how that we have cultivated in Japan.

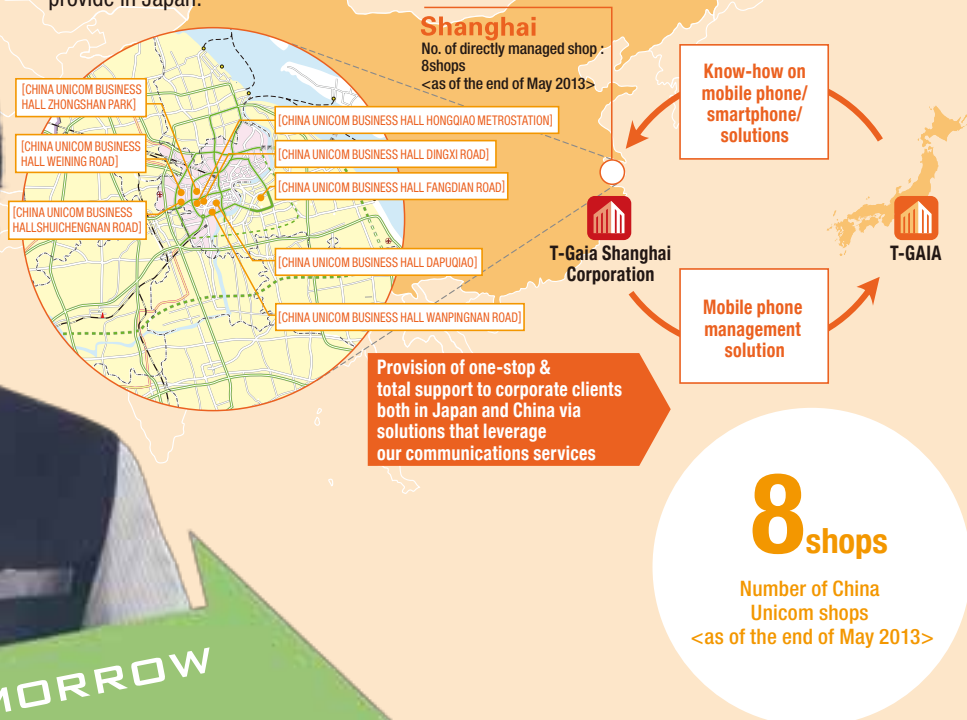
Business development in China

SHOP business

Our first overseas subsidiary, "T-Gaia Shanghai Corporation," have a total of eight "China Unicom Shops" in operation in Shanghai as of May 2013. 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 expanded business with a long list of satisfied customers among Japanese people living in China as well as local Chinese people.

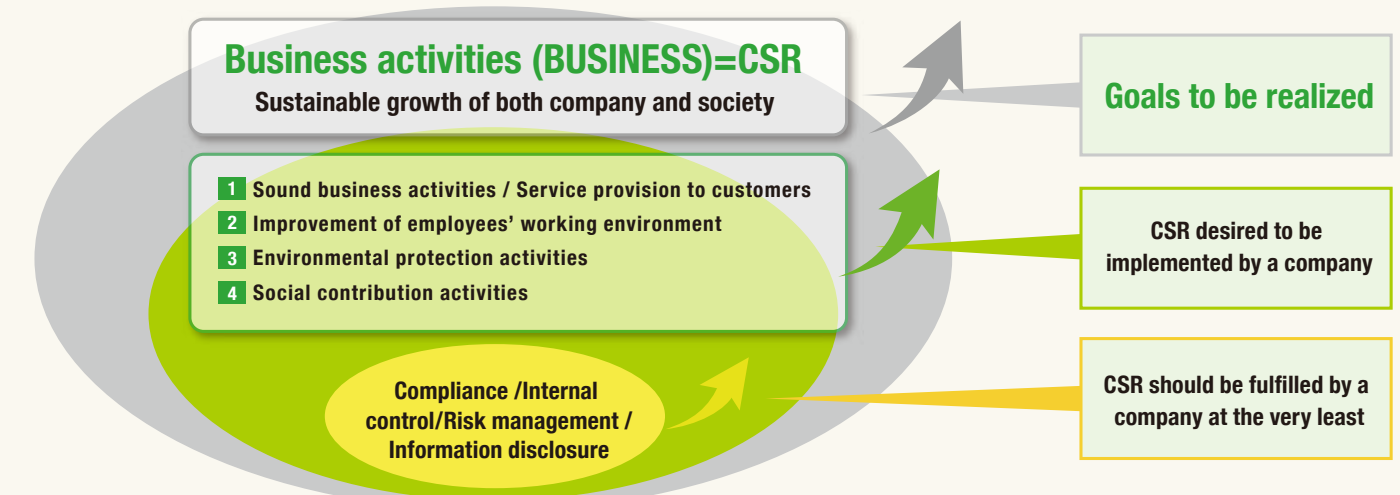
Solution business

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 will also provide leading-edge solutions to our corporate clients in China and serve them with the same quality of services that we provide in Japan.



Conducting wide range of business activities for sustainable growth of company and society

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

<p>We organized and made volunteer trips to areas devastated by the Great East Japan Earthquake.</p>	<p>Japan Paralympics Committee, Japan Sports Association for the Disabled</p> <p>JPC Official Supporter By courtesy of Japan Sports Association for the Disabled</p>	<p>We promote "the CUP FOR TWO" Program in support of the activities of TABLE FOR TWO International, a non-profit organization.</p> <p>TABLE FOR TWO [Source: NPO TABLE FOR TWO International]</p>	<p>Madoka Masumoto, our employee - 8th place in the track and field event (100-m female sprint) in "Guangzhou 2010 Asia Para Games" (Guangzhou, China) Participated in the track and field event (100-m/200-m female sprint) in the 6th IPC Athletics World Championships held in Lyon, France in July 2013. We promote diversity including recruitment and promotion of female employees.</p>
<p>Support member of The Eye Mate Inc.</p> <p>By courtesy of The Eye Mate Inc.</p>	<p>Participate in the "Challenge 25 Campaign" led by the MOE. Strengthen and start the "Super Cool Biz" campaign ahead of schedule aiming to reduce power consumption by 15%.</p> <p>未来が変わる。日本が変わる。 チャレンジ25 [Source: Ministry of the Environment]</p>	<p>As part of our mecenat activities (to provide support for arts and cultural activities), we sponsor "the Japan Philharmonic Orchestra".</p> <p>人、音楽、自然—日本フィルのテーマです。 JAPAN PHILHARMONIC ORCHESTRA [Source: Japan Philharmonic Orchestra]</p>	

To have all the employees work together for the same goal

Strengthening earning power and competitiveness while optimizing management resources

Origin of the Corporate 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)

1 Challenge

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.

2 Change

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.

3 Communication & Teamwork

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.

4 Speed

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.

5 Professional

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.

6 Development of Human Resources

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.

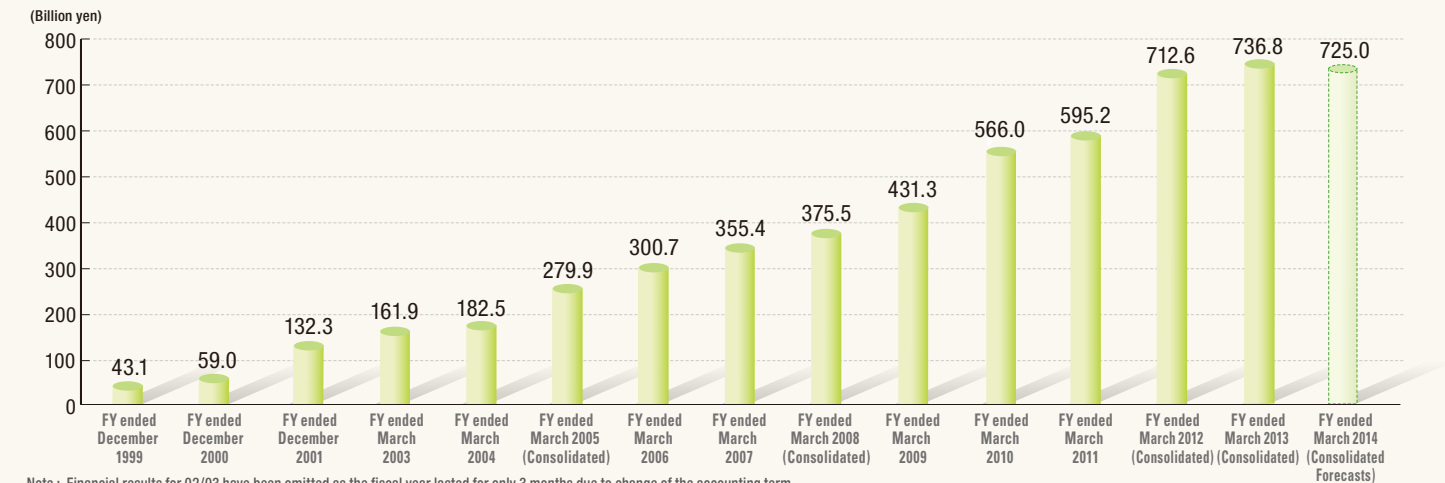
7 Compliance

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.

Corporate History (5-year History of T-Gaia)

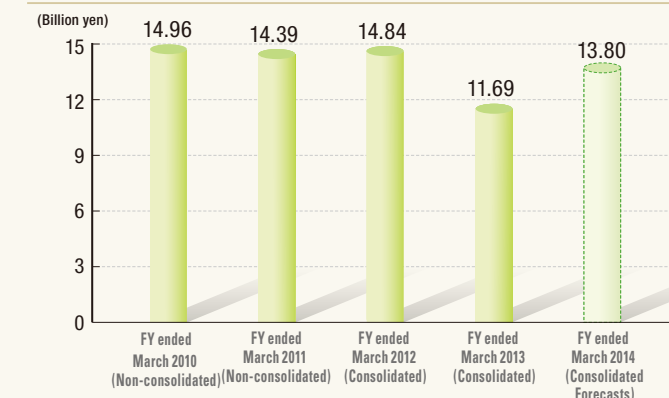
October 1, 2008	Newly-established T-Gaia Corporation
2008	October T-Gaia Corporation founded by equal merger of MS Communications Company, Limited and Telepark Corporation.
2009	January Moved the head office to Ebisu, Shibuya-ku, Tokyo.
2010	August Concluded an agency agreement with China Unicom Shanghai Branch and established T-Gaia Shanghai Corporation in Shanghai.
	September Opened the first China Unicom shop "CHINA UNICOM BUSINESS HALL SHUICHENGNAN ROAD" in the west area of Shanghai.
2011	June Started the Card Mall business utilizing gift cards.
	December Acquired 100% ownership of TG Miyazaki.
2012	April Opened an internal training/educational institute "TG Academy."
	November Started deployment of smart-phone accessory shops under the brand name of "Smart Labo."
October 1, 2013	Fifth anniversary of T-Gaia Corporation.

Longitudinal Data on Net Sales

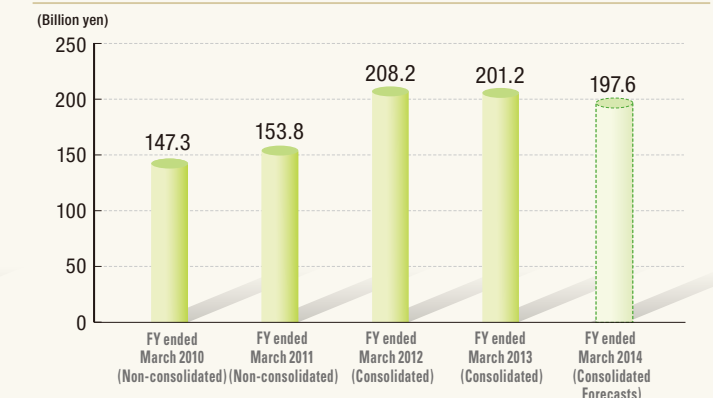


Note: Financial results for 02/03 have been omitted as the fiscal year lasted for only 3 months due to change of the accounting term.
 Note: The consolidated financial results are shown for the fiscal year ended March 2005 by reflecting that JRC Mobitec Co., Ltd. became a subsidiary as of December 2003.
 Note: 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: 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 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.

Ordinary Income

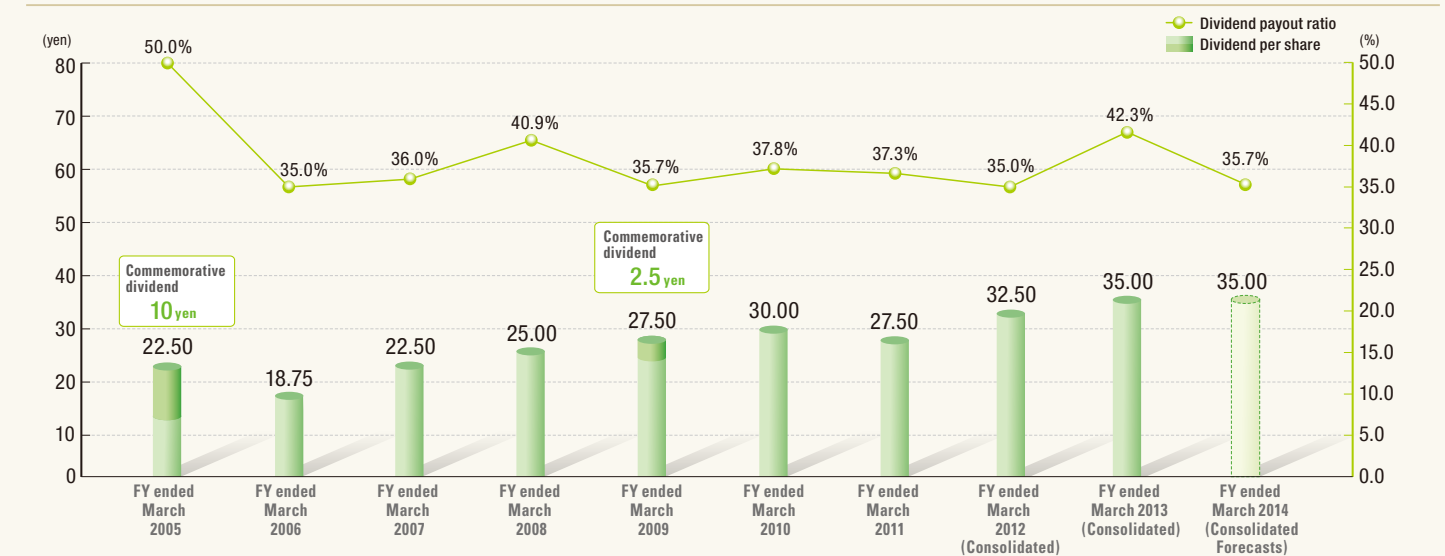


Total Assets



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



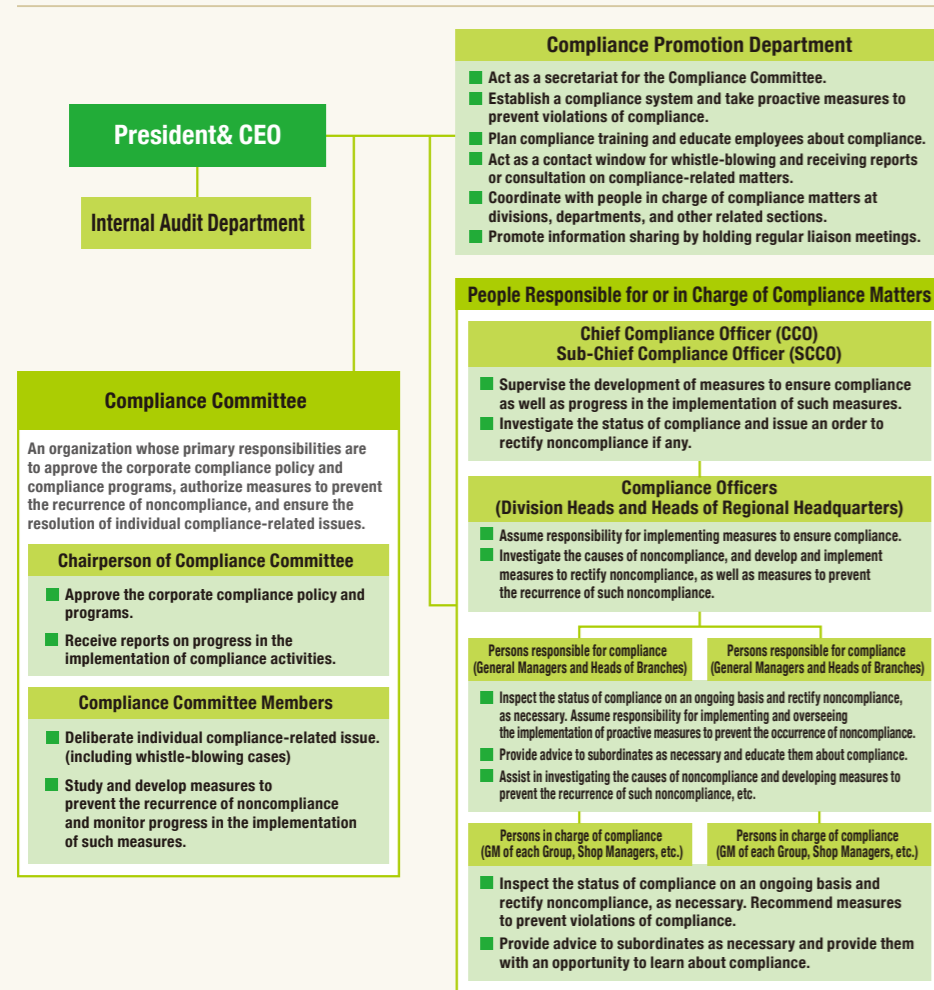
Note: The forecast of payout ratio for the fiscal year ending March 2014 is calculated based on the number of outstanding shares (excluding treasury shares) as of the end of March 2013.

Strengthening the compliance system and promoting internal awareness activities

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



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.

Further challenges in the year of the fifth anniversary

Corporate Name	T-Gaia Corporation Listed on the First Section of the Tokyo Stock Exchange (securities code:3738)	
Location	[Head office] Ebisu Neonato 14-18F, 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575 Japan	
Capital	3,106 million yen	
Date of Establishment	February 1992	
Major shareholders	Sumitomo Corporation, Mitsubishi Corporation	
Board Members	President & Chief Executive officer	Tetsuro Takeoka
	Representative Director, Executive Vice President	Hirokane Fujiwara
	Director, Executive Vice President	Bunpei Katayama
	Director, Executive Vice President	Hiroshi Fujita
	(External) Director	Tatsujiro Naito
	(External) Director	Osamu Miyashita
	(External) Director	Taiki Hasegawa
	(External) Director	Nobutaka Kanaji
	Corporate Auditor	Takaharu Tao
	Corporate Auditor	Makoto Ikadai
(External) Corporate Auditor	Yukihide Matsuoka	
(External) Corporate Auditor	Toshiro Kaba	
Description of Business	(1) Sales and distribution of mobile phones, etc. and sales agency business (2) Provision of brokerage services in the sales of solution, broadband and other telecommunication services (3) Settlement services and other new businesses	
Sales territory	All over Japan	
Number of employees	3,770 (as of March 31, 2013)	
Main financing banks	Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank Limited (*In the order of bank code)	



(The second from the right) Tetsuro Takeoka, President & CEO
 (The second from the left) Hirokane Fujiwara, Representative Director, Executive Vice President
 (Far left) Bunpei Katayama, Director, Executive Vice President
 (Far right) Hiroshi Fujita, Director, Executive Vice President



(as of June 20, 2013)



T-GAIA CORPORATION

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4-1-18 Ebisu, Shibuya-ku, Tokyo
150-8575 Japan
<http://www.t-gaia.co.jp>