



# T-GAIA CORPORATION

## ANNUAL REPORT 2014





「現場主義の徹底」  
 「スマホワールドの実現」  
 更なるネクストステージへ  
 "Thorough Hands-on Approach"  
 "Realization of Smartphone World"  
 Advancing to the Next Stage.



T-Gaia Group has set its new corporate philosophy. The "New Corporate Philosophy" created mainly by the internal project team focuses on "challenging" spirits, and shall be the guideline for the Group. Based on the "New Corporate Philosophy," T-Gaia will strive to make a big step forward while contributing to society as an emerging and spirited company that "assumes the significant role of communication."

More specifically, our efforts will be concentrated in the following businesses: Proactive development of smartphone accessory shops in response to the full-fledged dissemination of smart devices and heightened needs for cloud computing services; Acquisition of WAM!NET Japan K.K., a service provider of transmission of large volumes of data using cloud platforms, into a consolidated subsidiary; Improvement of service quality and enhancement of front-line sales staff's ability by "TG Academy," an in-house training/educational institution; and expansion and reinforcement of settlement service for smartphones, etc. Also, we will focus on further evolution and development of our corporate slogans, "Thorough Hands-on Approach" and "Realization of Smartphone World" towards the next stage, with the aim of providing customers with more comfortable environment for using smartphone.

We appreciate supports from a number of stakeholders including our customers, telecommunication carriers and business partners as sales agents. Through company-wide structural reforms, we pursue sustainable growths to realize an entity with more robust management foundation. We look forward to your continued support.

竹岡 哲朗  
 Tetsuro Takeoka,  
 President & CEO (Chief Executive Officer)

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— New Corporate Philosophy —

In the 6th anniversary of its foundation, T-Gaia set a new corporate philosophy to take on a challenge toward the future.

TG Vision

T-Gaia's Corporate Vision

Lead the Way toward the Future  
 &  
 Take a Leap for Tomorrow

TG Mission

T-Gaia's Corporate Mission

- ▶ T-Gaia will propose new ways of communication to provide our customers with excitement, delight, and safety.
- ▶ T-Gaia will thank its employees as well as their families and provide them with equal opportunities and rewards to challenge something new.
- ▶ T-Gaia will develop strong relationships with all the business partners and seek for mutual benefit under the fair and healthy conditions of business transaction.
- ▶ T-Gaia will contribute to all societies and regional communities through our global business activities.
- ▶ T-Gaia will thank all the stakeholders including our shareholders for their trust and confidence in our practice, and keep enhancing our corporate value.
- ▶ As a leading company in the industry, T-Gaia will go ahead of change of the times to develop new markets in addition to expanding our existing businesses.

TG Action

Our Code of Conduct

- ▶ We always act with a customer-driven attitude.
- ▶ We provide the highest-quality service to be appreciated by everyone.
- ▶ We keep moving ourselves higher as professionals.
- ▶ We respect and compete with each other to develop our infinite potentials.
- ▶ We seek for open & constructive communication.
- ▶ We value teamwork to achieve the best performance.
- ▶ We always act on high ethical standards and strengthen our compliance structure.
- ▶ We are not satisfied with our current situation; we keep challenging something new aggressively with our passion and a sense of speed.

# 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 smartphones, 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.

**139.55 million units**

Total number of subscribers for mobile phone in Japan <as of the end of March 2014>

**5.6 million units**

Number of mobile handsets sold by T-Gaia in Japan (Including WiFi-dedicated devices) <FY2013>

**12.7 %**

T-Gaia's market share in mobile phone sales in Japan <FY2013>



## 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 smartphones and tablet computers. In addition, one of our strengths is our ability to implement effective sales strategies by offering an extensive lineup of related 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

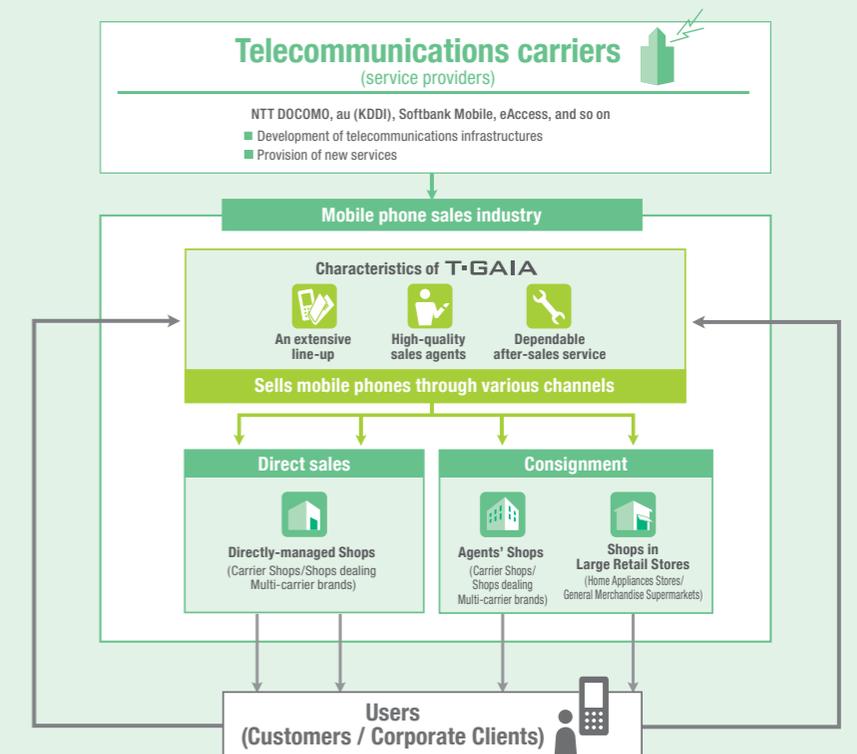
Not only our corporate head office but also our regional headquarters and branch offices across Japan implement local area marketing that best fits the local conditions of each area, while ensuring consistency with telecommunications carriers' regional strategies. Our shop concepts are largely divided 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).



## Our proposals for diverse products and services provide overall supports to customers' Smartphone life

Recently, shifts not only from feature phones to smartphones but also from PCs to tablet PCs have been taking place rapidly. Total number of tablet PCs shipped in the fiscal year ended March 2014 soared by 30.5% on a year-on-year basis to 7.48 million, and it is expected the number will increase by 23.0% to exceed 9.2 million in the fiscal year ending March 2015. (Source: MM Research Institute, Ltd.) Reflecting such a situation, it is anticipated that the "Smartphone & Tablet PC World" will be realized in which smartphones and tablet PCs will lead the entire economy, not merely individual lives in the future. Under these circumstances, our proactive sales efforts are also focused on tablet PCs while providing "on-site experience" through specific

explanations on the functions of tablet PCs, and proposing various ways to meet customer needs and usage scenarios such as a simultaneous use of a feature phone and a tablet PC, or a combined use of a smartphone and a tablet PC. Furthermore, we provide comprehensive supports to customers with the aim of realizing quality smartphone life by improving customer convenience and customer satisfaction (CS) through proposing and providing diverse products and services such as not only sale of mobile terminals but also related products and services for smartphones and tablet PCs.

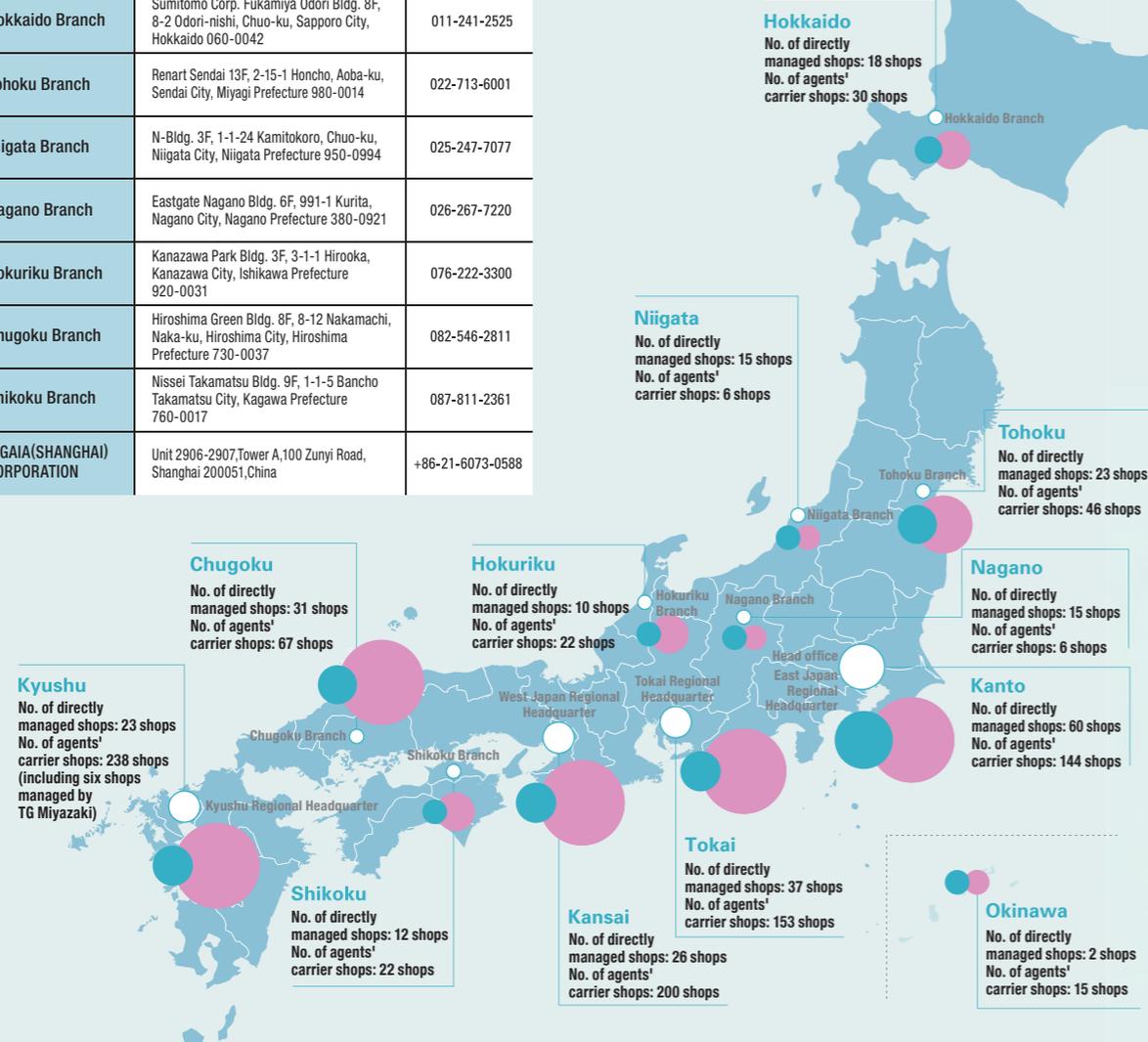


Our sales network covers Japan nationwide. Our diverse sales channels consist of approximately 2,400 shops, ranging from our directly managed carrier shops to shops run by independent agents and shops at our business partners such as large retail stores and general merchandising stores (GMS). While our 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
<b>Head office</b>	Ebisu Neonato 14-18F 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575	03-6409-1111
<b>East Japan Regional Headquarter</b>	Ebisu Neonato 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575	03-6409-1111
<b>West Japan Regional Headquarter</b>	Dojima Avanza 15F, 1-6-20 Dojima, Kita-ku, Osaka City, Osaka Prefecture 530-0003	06-4560-6600
<b>Tokai Regional Headquarter</b>	Nagoya Intercity 6-7F, 1-11-11 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture 460-0003	052-223-8700
<b>Kyushu Regional Headquarter</b>	Hakata Gion Center Place 10F, 7-20 Gionmachi, Hakata-ku, Fukuoka City, Fukuoka Prefecture 812-0038	092-283-7600
<b>Hokkaido Branch</b>	Sumitomo Corp. Fukamiya Odori Bldg. 8F, 8-2 Odori-nishi, Chuo-ku, Sapporo City, Hokkaido 060-0042	011-241-2525
<b>Tohoku Branch</b>	Renart Sendai 13F, 2-15-1 Honcho, Aoba-ku, Sendai City, Miyagi Prefecture 980-0014	022-713-6001
<b>Niigata Branch</b>	N-Bldg. 3F, 1-1-24 Kamitokoro, Chuo-ku, Niigata City, Niigata Prefecture 950-0994	025-247-7077
<b>Nagano Branch</b>	Eastgate Nagano Bldg. 6F, 991-1 Kurita, Nagano City, Nagano Prefecture 380-0921	026-267-7220
<b>Hokuriku Branch</b>	Kanazawa Park Bldg. 3F, 3-1-1 Hirooka, Kanazawa City, Ishikawa Prefecture 920-0031	076-222-3300
<b>Chugoku Branch</b>	Hiroshima Green Bldg. 8F, 8-12 Nakamachi, Naka-ku, Hiroshima City, Hiroshima Prefecture 730-0037	082-546-2811
<b>Shikoku Branch</b>	Nissei Takamatsu Bldg. 9F, 1-1-5 Bancho Takamatsu City, Kagawa Prefecture 760-0017	087-811-2361
<b>T-GAIA(SHANGHAI) CORPORATION</b>	Unit 2906-2907, Tower A, 100 Zunyi Road, Shanghai 200051, China	+86-21-6073-0588



**1,221** shops  
Number of our group carrier shops (in Japan)  
<as of the end of March 2014>



## 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 training/educational 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 47 "Supervisors (SV)" (as of April 1, 2014) 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.



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 smartphone life much more enjoyable

The market scale of smartphone-related products is expected to expand from ¥202.6 billion in the fiscal year ended March 2014 to ¥254.4 billion in the fiscal year ending March 2017. (Source: MM Research Institute, Ltd.) We commenced operations of smartphone accessory shops in November 2012 in response to the accessory market needs that has been growing year by year.

### Sale of smartphone cases and various other related products

A wealth of fashionable product lineup for customers' Smartphone life including smartphone cases, screen protection films in addition to batteries and speakers are found in the shops. We operate a total of 13 accessory shops nationwide comprising "Smart Labo," our brand shops and "AppBank Store" that we jointly operate with AppBank Store to meet a wide variety of customer needs.

### Promoting full-fledged EC websites

"Smart Labo Rakuten Ichiba" was opened in March 2013 leveraging a wealth of product lineups at real stores. In April 2014, we launched "Smart Labo Online," our own EC website. To meet diverse customer needs, the number of items we handle reaches approximately 26,000, which is the largest scale in the industry, and we promote an omni-channel strategy by partnering with our directly operated stores. We will continue to make new developments by consistently handling cutting-edge products.



\* AppBank Store® is a registered trade mark of AppBank Store.

スマートフォンを  
ファッションの一部に。  
We'll make the smartphone a part of fashion.

# 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.

## Major telecommunication operator business counterparts (service providers)

**Mobile Telecommunications Business**  
(for corporate clients)



NTT DOCOMO,  
au (KDDI),  
Softbank Mobile,  
and eAccess,  
and so on

**Communication Network Service**



NTT East, NTT West,  
NTT Communications, KDDI,  
Softbank Telecom,  
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

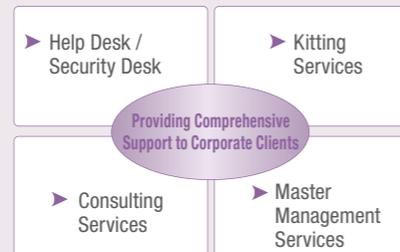
With the rapid popularization of smart-phones, tablet computers, etc., telecommunication devices have become increasingly more diverse each year. Given these circumstances, we offer movino star, our application service provider (ASP) managed services, that caters to a broad range of needs for the management 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.

## Steadily growing sales for corporate clients through consulting services

Mobile phones, smartphones, 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 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.

## 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.



## 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 smartphone, with mdport solution, it is possible to properly control the smartphone 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.



## We support acceleration of business with "GigaCC" by WAM!NET Japan K.K.



WAM!NET Japan K.K. is a consolidated subsidiary and a cloud service provider of transmission of large volumes of data using cloud platforms and shared services for corporate clients including large manufacturers, pharmaceutical companies, construction companies, printing companies and publishers, content production companies, etc. With the dissemination of smart devices, the effective use of cloud computing services has become essential to improve business efficiency. WAM!NET Japan's core service, "GigaCC," has been introduced by a number of corporate clients as the industry's leading online storage service to encourage internal communications ensuring security. "GigaCC" offers an application for

smartphones, enabling the user to safely view the documents outside the office, which is also effectively utilized to implement presentations to customers using a tablet PC. In alliance with WAM!NET Japan, we will promote acceleration of business by combining smart devices and cloud computing services. Additionally, concurrently with the sale of smart devices, we will propose mobile device management (MDM) tools and cloud computing services for GigaCC, and MovinoStar Secured Service (MSS) as a tool for browsing internal emails using mobile devices, to provide total solutions for activation of sales activities and improvement of business efficiency to our corporate clients.

## 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

As to settlement service business, we will pursue further growth focusing mainly on prepaid settlement-related businesses. By making the most of the expertise of the settlement service accumulated in Japan, we will continue taking on a challenge in new businesses including overseas business development in an effort to create new corporate values.

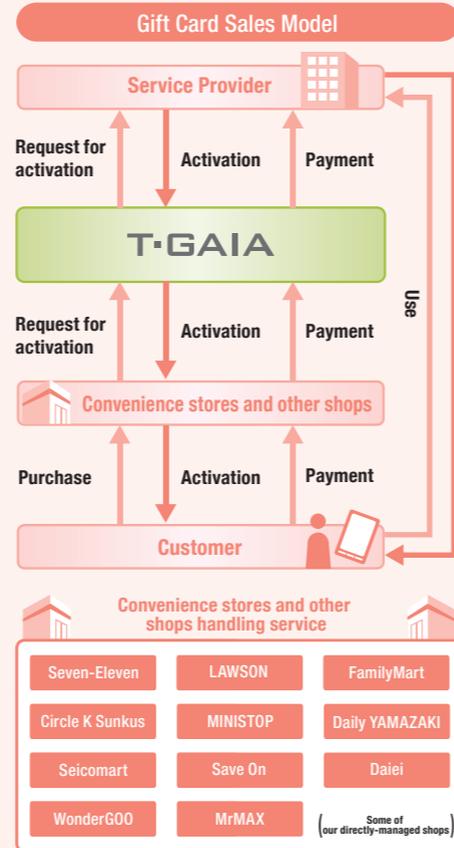
### Rapidly expanding prepaid settlement service

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, in response to the constantly evolving market, the Gift Card Mall business has been expanding significantly by leveraging our expertise in sales of PIN codes and our extensive network. We aim to achieve further growth also in our new business area.

**48,600** stores

Number of convenience stores with which we carry out transactions in Japan <as of March 31, 2014>



### Gift Card Mall Business

As a new initiative in our settlement services, we launched the Gift Card Mall Business whose market has seen a full-scale expansion in Japan. 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, over the counter (OTC) promotions, and call center operations. Through the growth of this new business, we aim to develop the prepaid gift card market and create so-called "casual gift market" in Japan.



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



### 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. We will strive to further enhance the settlement services and improve customer convenience concurrently with the development of convenience stores, thus providing services that contribute to society.



**\* 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)

■E-money type  
General-purpose prepaid e-money for use in the internet: Easy-to-use, safe and secure.

■Dedicated prepaid card  
Highly general-purpose prepaid card for use in various entertainment contents such as music and films, shopping cards for settlement in non-Japanese major internet-based sales, payment of online game for home game video consoles and personal computers, etc.

November 2013: Established "Advanced Star Link Pte. Ltd.," an overseas subsidiary. Started sales of gift cards across Singapore.

**610** stores

Number of convenience stores and large home electronics stores with which we carry out transactions in Singapore <As of June 30, 2014>



# Developing the Smartphone World in the world's largest market of mobile phones

## Overseas business

In China, mobile phone companies compete for starting the LTE service. Furthermore, new mobile phone services by mobile virtual network operators (MVNO) emerged, leading to harsher competitions for customers. With increasing options for customers, T-GAIA (SHANGHAI) CORPORATION has been proposing new lifestyle centering on smartphones while proactively developing services to conduct business development rooted in China.

### Business development in China

#### SHOP business

As of June 30, 2014, we operated a total of 10 "China Unicom Shops" which are strategic sales agents of "China Unicom." We operate highly value-added shops with large selections of SIM Cards, smartphones, tablet PCs and other related products as in specialty stores. Quality services are also offered by store staff with high proficiency in foreign languages.

#### Solution business

We have developed "Support Desk Service" to outsource all businesses relating to mobile phone mainly for Japanese companies in China. To meet every kind of corporate needs, we will offer services including many solutions using smartphones.

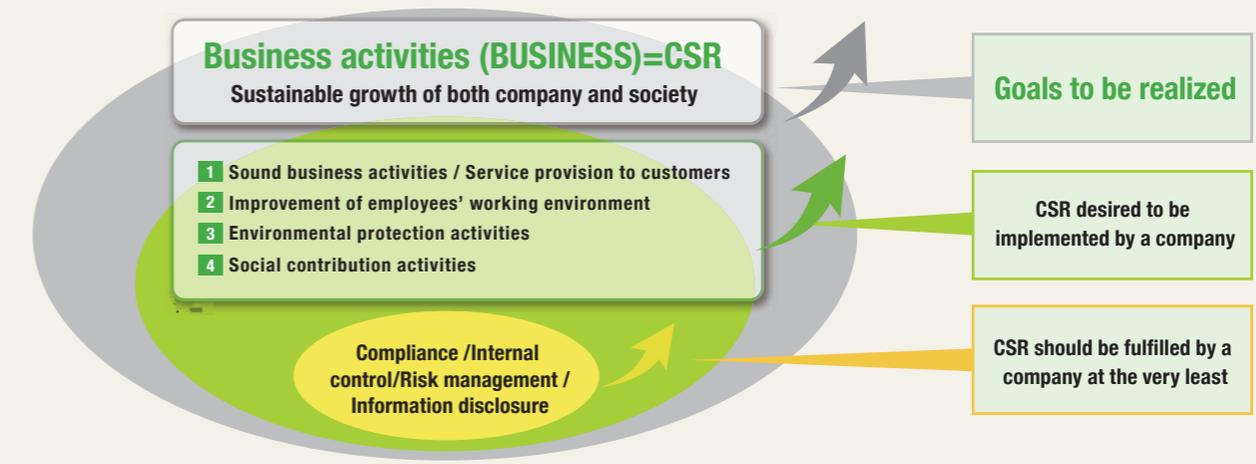


**10** shops  
Number of China Unicom shops  
<as of the end of June 2014>



# 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><b>We organized and made volunteer trips to areas devastated by the Great East Japan Earthquake.</b></p>	<p><b>Japanese Paralympics Committee, Japanese Para-Sports Association</b></p> <p>JPC Official Supporter By courtesy of Japanese Para-Sports Association</p>	<p><b>We promote "the CUP FOR TWO" Program in support of the activities of TABLE FOR TWO International, a non-profit organization.</b></p> <p><b>TABLE FOR TWO</b> [Source: NPO TABLE FOR TWO International]</p>	<p><b>Madoka Masumoto, our employee</b> - 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><b>Support member of The Eye Mate Inc.</b></p> <p>By courtesy of The Eye Mate Inc.</p>	<p><b>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%.</b></p> <p>チャレンジ 25 未来が変わる。日本が変わる。 [Source: Ministry of the Environment]</p>	<p><b>As part of our mecenat activities (to provide support for arts and cultural activities), we sponsor "the Japan Philharmonic Orchestra".</b></p> <p>人、音楽、自然——日本フィルのテーマです。 <b>JAPAN PHILHARMONIC ORCHESTRA</b> [Source: Japan Philharmonic Orchestra]</p>	

# Strengthening the compliance system and promoting internal awareness activities

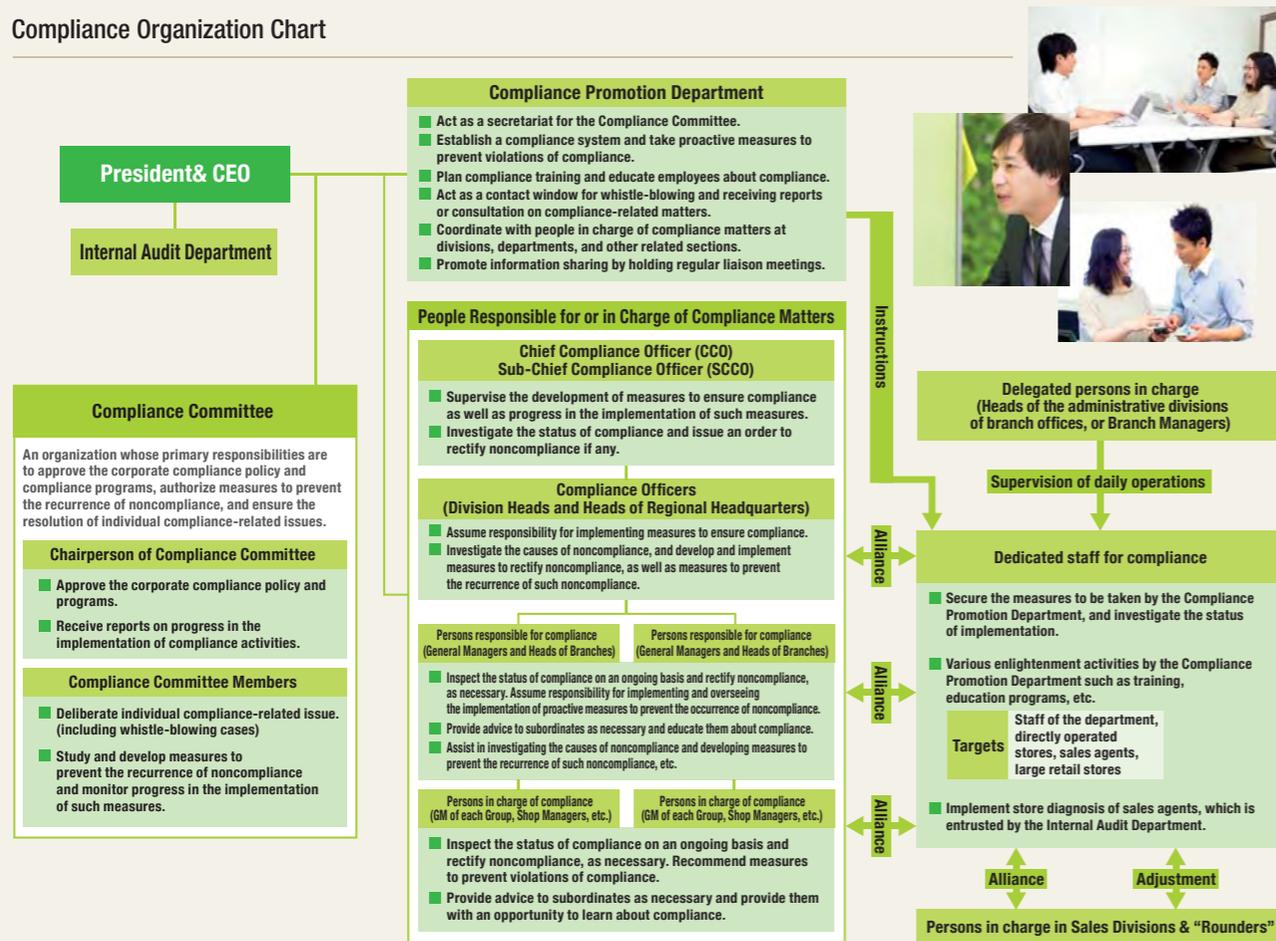
“Compliance” forms one of our top priorities in business management, and we have appointed Chief Compliance Officer (CCO) as the chairman of the “Compliance Committee” comprising executive officers, etc., as committee member, which discusses compliance-related issues for further improvement.

By appointing compliance dedicated staff to each business bases in addition to the Compliance Promotion Department, established as a permanent promotion organization for compliance directly under the control of the President, we make the utmost efforts to maintain and raise the awareness of compliance through enhancement of compliance systems and internal education.

We indicate our guidelines concerning compliance to all executives and employees by establishing the “Compliance Regulations” and distributing and educating “Compliance Manual.” Furthermore, we have established several routes for the employees who seek a contact point for whistleblowing and consulting associated with compliance, at external organizations, law firms, etc., so that we will be able to know any compliance issues or risk information at an early stage.



## Compliance Organization Chart



Certification Number: 10580069(02)

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.

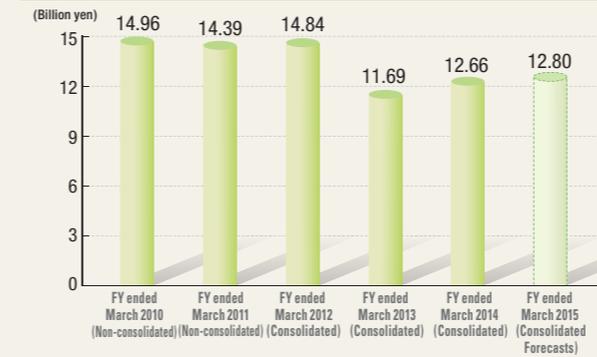
# Strengthening earning power and competitiveness while optimizing management resources

## Longitudinal Data on Net Sales



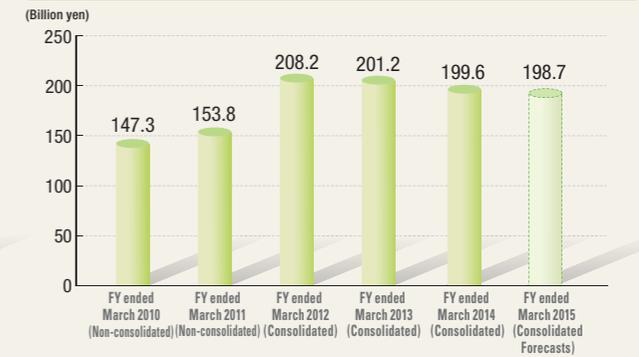
Note: Financial results for 02/03 have been omitted as the fiscal year lasted for only 3 months due to change of the accounting term.  
 Note: The consolidated financial results are shown for the fiscal year ended March 2005 by reflecting that JRC Mobitec Co., Ltd. became a subsidiary as of December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



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.

## Total Assets



## Transition of Dividend



Note: The forecast of payout ratio for the fiscal year ending March 2015 is calculated based on the number of outstanding shares (excluding treasury shares) as of the end of March 2014.

# To have all the employees work together for the same goal

## 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

<b>October 1, 2008</b>	<b>Newly-established T-Gaia Corporation</b>
2008	<b>October</b> T-Gaia Corporation founded by equal merger of MS Communications Company, Limited and Telepark Corporation.
2009	<b>January</b> Moved the head office to Ebisu, Shibuya-ku, Tokyo.
2010	<b>August</b> Concluded an agency agreement with China Unicom Shanghai Branch and established T-GAIA (SHANGHAI) CORPORATION in Shanghai.
	<b>September</b> Opened the first China Unicom shop "CHINA UNICOM BUSINESS HALL SOUTH SHUICHENG ROAD" in the west area of Shanghai.
2011	<b>June</b> Started the Card Mall business utilizing gift cards.
	<b>December</b> Acquired 100% ownership of TG Miyazaki.
2012	<b>April</b> Opened an internal training/educational institute "TG Academy."
	<b>November</b> Started deployment of smartphone accessory shops under the brand name of "Smart Labo."
<b>October 1, 2013</b>	<b>Fifth anniversary of T-Gaia Corporation.</b>
2013	<b>November</b> Established Advanced Star Link Pte. Ltd., a consolidated subsidiary, in Singapore.
2014	<b>March</b> Acquired WAM!NET Japan K.K. as a consolidated subsidiary.

# Celebrating 6-year anniversary, we aim at further evolution

<b>Corporate Name</b>	T-Gaia Corporation Listed on the First Section of the Tokyo Stock Exchange (securities code:3738)																														
<b>Location</b>	[Head office] Ebisu Neonato 14-18F, 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575 Japan																														
<b>Capital</b>	3,127 million yen																														
<b>Date of Establishment</b>	February 1992																														
<b>Major shareholders</b>	Sumitomo Corporation, Mitsubishi Corporation																														
<b>Board Members</b>	<table border="0"> <tr> <td>President &amp; Chief Executive officer</td> <td>Tetsuro Takeoka</td> <td></td> </tr> <tr> <td>Director, Executive Vice President</td> <td>Bunpei Katayama</td> <td rowspan="4"></td> </tr> <tr> <td>Director, Executive Vice President</td> <td>Hiroshi Fujita</td> </tr> <tr> <td>Director, Executive Vice President</td> <td>Nobutaka Kanaji</td> </tr> <tr> <td>(External) Director</td> <td>Tatsujiro Naito</td> </tr> <tr> <td>(External) Director</td> <td>Hiroyuki Koike</td> <td></td> </tr> <tr> <td>(External) Director</td> <td>Masami Atarashi</td> <td></td> </tr> <tr> <td>Corporate Auditor</td> <td>Takaharu Tao</td> <td></td> </tr> <tr> <td>Corporate Auditor</td> <td>Makoto Ikadai</td> <td></td> </tr> <tr> <td>(External) Corporate Auditor</td> <td>Yukihide Matsuoka</td> <td></td> </tr> <tr> <td>(External) Corporate Auditor</td> <td>Toshiro Kaba</td> <td></td> </tr> </table>	President & Chief Executive officer	Tetsuro Takeoka		Director, Executive Vice President	Bunpei Katayama		Director, Executive Vice President	Hiroshi Fujita	Director, Executive Vice President	Nobutaka Kanaji	(External) Director	Tatsujiro Naito	(External) Director	Hiroyuki Koike		(External) Director	Masami Atarashi		Corporate Auditor	Takaharu Tao		Corporate Auditor	Makoto Ikadai		(External) Corporate Auditor	Yukihide Matsuoka		(External) Corporate Auditor	Toshiro Kaba	
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<b>Description of Business</b>	(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, overseas business																														
<b>Sales territory</b>	All over Japan, China (Shanghai), Singapore																														
<b>Number of employees</b>	3,808 (as of March 31, 2014)																														
<b>Main financing banks</b>	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)																														

Tetsuro Takeoka  
President & CEO

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



(as of June 19, 2014)

# T-GAIA CORPORATION

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<http://www.t-gaia.co.jp>

