



# INTEGRATED REPORT 2015



# Message from the President & CEO

The business environment of the telecommunications industry is facing a turning point as exemplified by the further expansion of demand for smart devices and their related products, such as smartphones and tablets, the emergence of MVNOs and FVNOs, and the dissemination of wearable devices. In the midst of such context, the role of one-stop carrier shops that provide more sophisticated and diversified products and services is becoming increasingly significant.

In April 2015, we established the Smart Life Business Division, into which all functions that help customers achieve rich "Smartphone Lives", such as smart device-related products and services, including the accessory business and settlement services, were incorporated. From now on, we will continue our ongoing efforts to promptly and accurately grasp changes in customer demand and further expand our product & service lineups as well as sales channel while looking at our business from the customer's perspective.

Moreover, we have established Career Design Academy (CDA), as the result of the further evolution and development of our sales staff education and training institution, TG Academy. In the future, we plan to provide a wide range of retail business-related quality education and training services by leveraging our expertise and proven record of accomplishment in employee education, which were nurtured through the sales of mobile phones.

In order to respond to confidence and expectations of all stakeholders, we will make every effort to deepen our partnerships with telecom carriers and our partner agencies through close communication to achieve co-existence and co-prosperity. Moreover, we will join our forces to enhance our corporate value and realize sustainable growth by viewing changes in the business environment as business opportunities and leveraging T-GAIA's core competencies, such as a wealth of human resources, solid sales force, and diversified domestic & overseas sales channels. We sincerely ask for your continued support and guidance.

渋谷 年史

Toshifumi Shibuya,  
President & CEO (Chief Executive Officer)

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# Corporate Philosophy

Based on its corporate philosophy,  
T-Gaia will continue taking on challenges toward the future.

## TG Vision

T-Gaia's Corporate Vision

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

## TG Mission

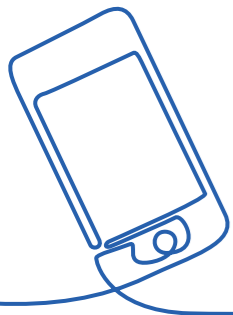
T-Gaia's Corporate Mission

- ▶ 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.

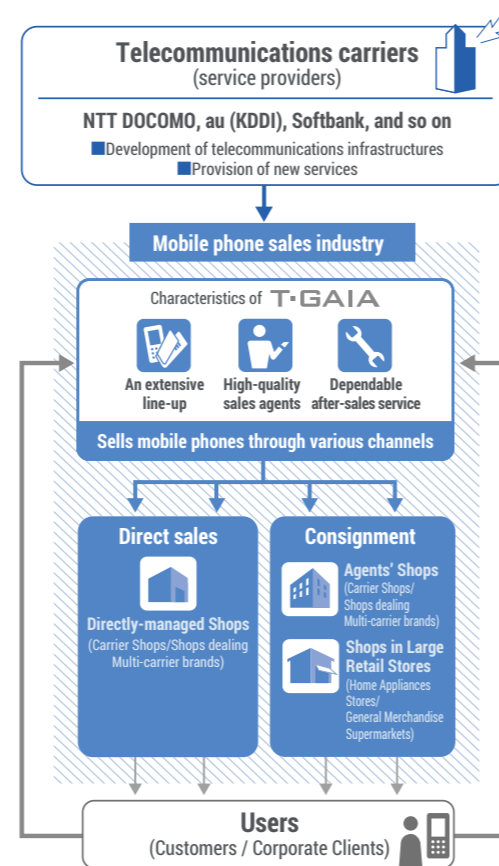


# Mobile Telecommunications Business



## 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.



### 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 2015 soared by 24.2% on a year-on-year basis to 9.29 million, and it is expected the number will increase by 15.2% to exceed 10.7 million in the fiscal year ending March 2016. (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.

5.12

million units

The total number of mobile phones sold by T-Gaia in Japan (including Wi-Fi terminals) (FY 2014)



147.84

million

The total number of mobile phone subscriptions in Japan (as of March 31, 2015)



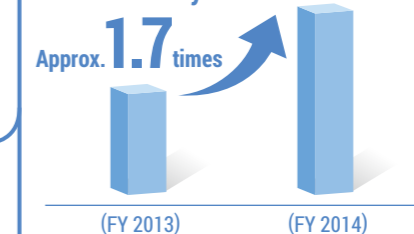
12.0

%

T-Gaia's market share in the sales of mobile phones in Japan (FY 2014)

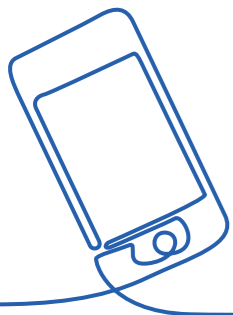


The total number of tablets sold by T-Gaia



\* Wi-Fi terminals included





# Bases for Business & Sales Operations



## Providing high-quality service through diversified sales channels, valuing communication with customers

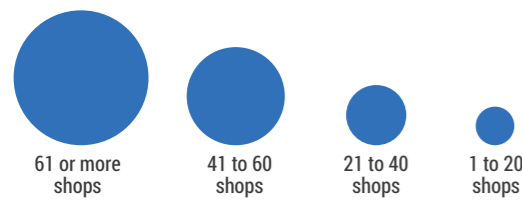
Our sales network covers Japan nationwide.

Our diverse sales channels consist of approximately 2,200 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).

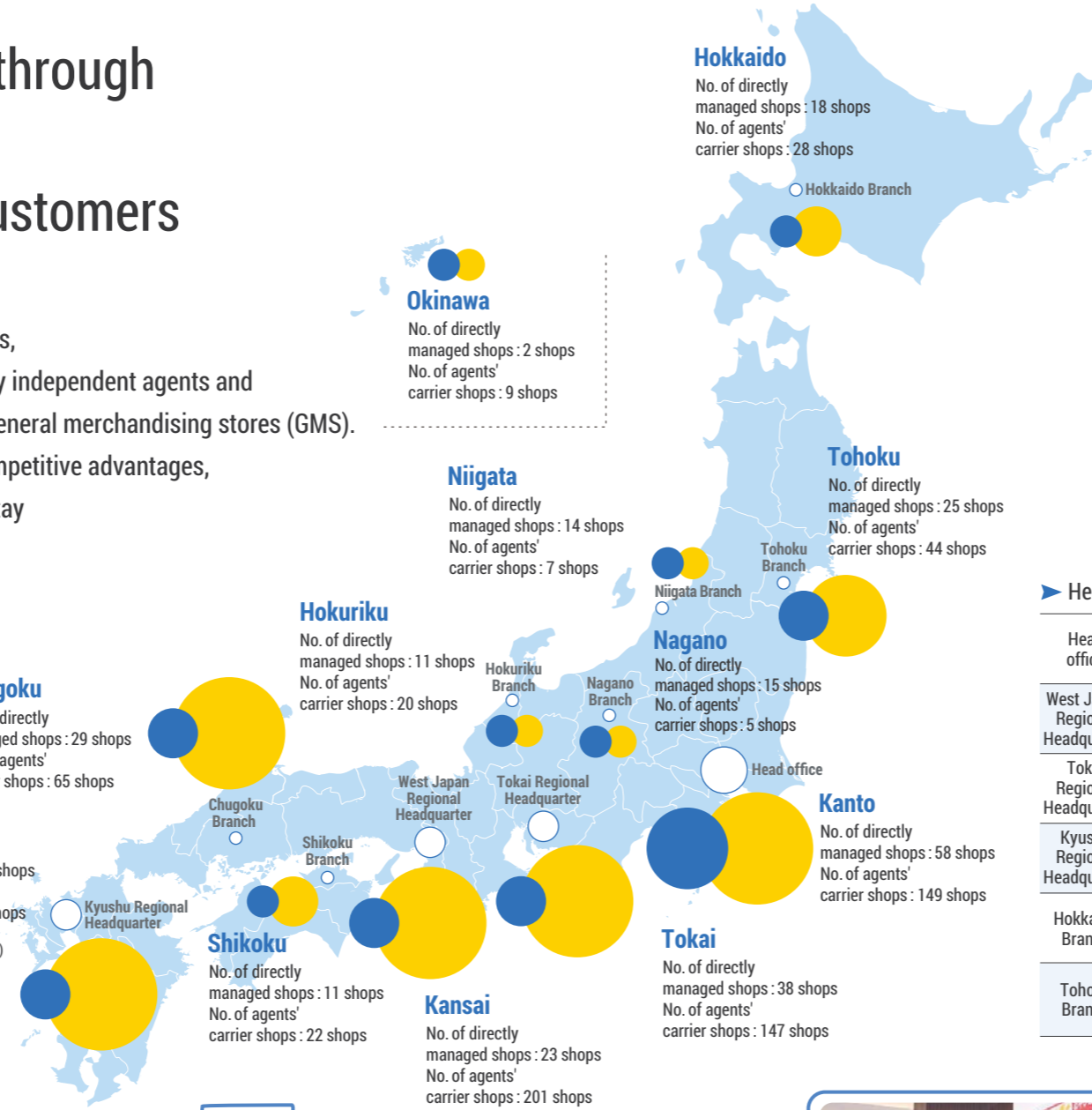
While our collective strengths and economy of scale are our competitive advantages, we also focus on better communication to ensure that we can stay connected to people in meaningful ways.

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.



● Number of directly-managed carrier shops  
● Number of agents' carrier shops



### 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.



### Head office, Regional Headquarters and Branch Offices

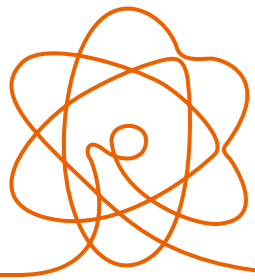
Head office	Ebisu Neonato 14-18F 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575 TEL:03-6409-1111	Niigata Branch	N-Bldg. 3F, 1-1-24 Kamitokoro, Chuo-ku, Niigata City, Niigata Prefecture 950-0994 TEL:025-247-7077
West Japan Regional Headquarter	Dojima Avanza 15F, 1-6-20 Dojima, Kita-ku, Osaka City, Osaka Prefecture 530-0003 TEL:06-4560-6600	Nagano Branch	Eastgate Nagano Bldg. 6F, 991-1 Kurita, Nagano City, Nagano Prefecture 380-0921 TEL:026-267-7220
Tokai Regional Headquarter	Nagoya Intercity 6-7F, 1-11-11 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture 460-0003 TEL:052-223-8700	Hokuriku Branch	Kanazawa Park Bldg. 3F, 3-1-1 Hirooka, Kanazawa City, Ishikawa Prefecture 920-0031 TEL:076-222-3300
Kyushu Regional Headquarter	Hakata Gion Center Place 10F, 7-20 Gionmachi, Hakata-ku, Fukuoka City, Fukuoka Prefecture 812-0038 TEL:092-283-7600	Chugoku Branch	Hiroshima Green Bldg. 8F, 8-12 Nakamachi, Naka-ku, Hiroshima City, Hiroshima Prefecture 730-0037 TEL:082-546-2811
Hokkaido Branch	Sumitomo Corp. Fukamiya Odori Bldg. 8F, 8-2 Odori-nishi, Chuo-ku, Sapporo City, Hokkaido 060-0042 TEL:011-241-2525	Shikoku Branch	Nissei Takamatsu Bldg. 9F, 1-1-5 Bancho Takamatsu City, Kagawa Prefecture 760-0017 TEL:087-811-2361
Tohoku Branch	Renart Sendai 13F, 2-15-1 Honcho, Aoba-ku, Sendai City, Miyagi Prefecture 980-0014 TEL:022-713-6001	T-GAIA (SHANGHAI) CORPORATION	Unit 2906-2907, Tower A, 100 Yunyi Road, Shanghai 200051, China TEL:+86-21-6073-0588

# 1,194

shops

The number of T-Gaia group's carrier shops (in Japan) (as of March 31, 2015)





# Solution 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.

### Steadily growing sales for corporate clients through consulting services

Mobile phones, smartphones, tablets, and other mobile communication devices have become extremely important information assets for corporations. However, they often face a major challenge in properly operating these devices because their service contents have been increasingly sophisticated and diversified. The Solution Business Division offers optimal plans and solutions for operating these communication devices, which adequately address changes in the social environment, such as needs for solid security measures and compliance with the Personal Information Protection Act and the Financial Instruments and Exchange Act (J-SOX), and meet specific requirements and needs of corporate clients.

### movino star — a total platform for the management, operation, and expense settlement of matters related to telecommunications

With the rapid popularization of smartphones, tablets, etc., telecommunication devices have become increasingly more diverse. Given these circumstances, we offer movino star, our application service provider (ASP)-managed service, 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 effectively achieve greater operational efficiency and cost reduction.

Major telecommunication operator business counterparts (service providers)

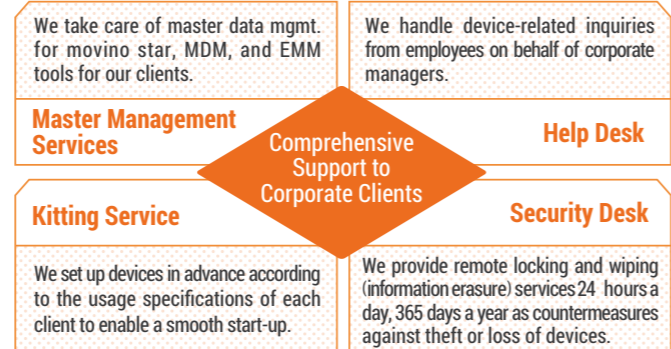
- ▶ Mobile Telecommunications Business (for corporate clients)
  - NTT DOCOMO, au (KDDI), Softbank, and so on
- ▶ Communication Network Service
  - NTT East, NTT West, NTT Communications, KDDI, Softbank, STNet (Shikoku Electric Power Company Group), QTNet (Kyushu Telecommunication Network Co., Inc.), etc.

### T-GAIA Smart SUPPORT provides full support for the best use of mobile devices

Prior to and at the time of introducing mobile devices to their operation

T-GAIA Smart SUPPORT, our solution package that meets the individual needs of each corporate client, provides total support in all stages from the introduction of mobile devices to their operation and management.

#### Four Solutions provided by T-GAIA Smart SUPPORT



#### At the time of introducing a device, we give advice on the following :

- ▶ Points to keep in mind when selecting a mobile device (OS)
- ▶ Points to keep in mind when selecting a security tool
- ▶ The establishment of an operation policy
- ▶ The selection of communication services

#### During operations, we provide the following services :

- ▶ Handling of user inquiries on the device
- ▶ Operation of the device in compliance with the security policy
- ▶ Management and operation of the device
- ▶ Handling of device failures

### The Mobile Device Management (MDM) solution provides a full range of security measures

The MDM solution achieves the unified management of a variety of functions, ranging from configuration settings of devices and integrated information management to the securing of mobile data in the event of device loss or theft and the control of use environments. In the event that a client loses a smartphone, the MDM solution can remotely lock the smartphone or wipe its information. It offers a wide range of products that help solve a variety of device security-related problems including a reduction in administrators' workload.



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

WAM!NET Japan K.K. is a consolidated subsidiary of T-GAIA and a cloud service provider who offers services for the transmission of large volumes of data using cloud platforms and shared services to corporate clients, including large manufacturers, pharmaceutical companies, construction companies, printing and publishing companies, and content production companies. With the dissemination of smart devices, the effective use of cloud computing services has become essential to improve business efficiency. GigaCC, WAM!NET Japan's core service, has been adopted by a number of corporate clients as the industry's top-class online storage service that promotes internal communication while ensuring security. GigaCC also offers applications for smartphones, enabling users to safely view the documents outside the office and making effective presentations to customers using tablets. In alliance with WAM!NET Japan, we promote business acceleration by combining smart devices and cloud computing services. Moreover, at the time of selling smart devices, we also propose mss (movino star secured service), a tool to safely access internal emails and the intranet from mobile device, and thereby provide total solutions for the activation of sales operations and the enhancement of business efficiency to our corporate clients.



### Contributing to a prosperous network environment

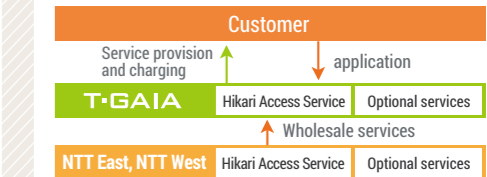
At the center of our Communication Network Service is the penetration/expansion of broadband services with optical fiber networks as the primary axis. Throughout the country, we are making efforts to establish a stronger sales network, including developing and cultivating dominant agents as well as expanding 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.

### Our new service, **TG Hikari**!

The TG Hikari (literally, optic) is an optical broadband service with up to 1 Gbps speeds for corporate clients. By leveraging the Hikari Access Services of NTT East and NTT West, T-GAIA offers the same speed and quality at a lower price through its original service model.

#### ✦ Hikari Collaboration

This is a model where NTT East and NTT West supply their Hikari Access Services (Flet's Hikari) wholesale to T-GAIA, which T-GAIA leverages to provide its original Hikari access service to its customers.



All you need to do to shift from the Flet's Hikari is to go through some procedures. You don't have to change any facility.

For more details, please visit our website : <http://www.tghikari.com/>

movino star

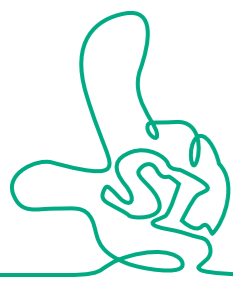
movino star subscription

Approx. 1,200 companies

400,000 lines

(FY 2014)





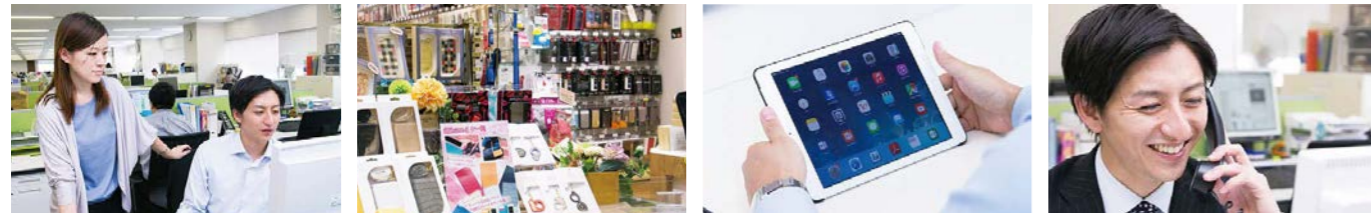
# Smart Life Business / Accessories

## Making individual smartphone life much more enjoyable

The market scale of smartphone and tablet-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 2018.

(Source: MM Research Institute, Ltd.)

We commenced the operation of smartphone accessory shops in November 2012 to meet the needs of the accessory market that has been expanding year by year.



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

A wealth of fashionable product line up 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 14 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

We launched Smart Labo Online, our own EC website, in April 2014 by leveraging our extensive product lineups at real shops and experience in opening a store in a mall-type EC website. In the Smart Labo Online, we handle popular items that were carefully selected based on our extensive sales data and promote the omni-channel strategy that ensures collaboration with our directly managed shops. We



will continue to make new developments by consistently handling cutting-edge products.



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

# Smart Life Business / Settlement Service

## Supporting "Smart Life" through settlement services In Japan and overseas

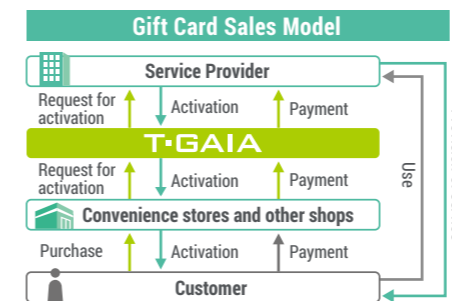
As to settlement service business, we will pursue further growth focusing mainly on prepaid settlement-related businesses.

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-related business

Our prepaid settlement-related business, which started with the sale of prepaid mobile phones and includes the sale of real cards and the online prepaid settlement services enabled by the use of PINs (Personal Identification Numbers), has been steadily expanding by capitalizing on our long-developed sales channel of convenience stores. In addition, the Gift Card Mall business, which we launched to meet ever-evolving market needs, has also grown significantly. We aim to expand our prepaid settlement-related business by developing new business areas.



■ Convenience stores handling PINs and gift cards products  
Seven-Eleven, LAWSON, FamilyMart, Circle K Sunkus, MINISTOP, Daily YAMAZAKI, Seicomart, SAVE ON, Daiei, WonderGOO, MR MAX (and others including some of our directly managed shops)

### Gift Card Mall Business

As a new initiative in our settlement services, we launched the Card Mall Business by leveraging gift cards whose market has been steadily expanding also in Japan. Currently, we are 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 sale of mobile phones and PINs, we offer fine-tuned services, such as delivery of gift cards, promotions, and call center operations. Through the growth of this new business, we aim to develop the prepaid gift card market and create the 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.



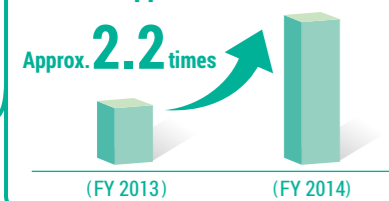
### PIN Personal Identification Number



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

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.

### Net Sales in Accessory Shops



# 2.065

million people

The total number of customers visited to our directly managed accessory shops (in FY 2014)

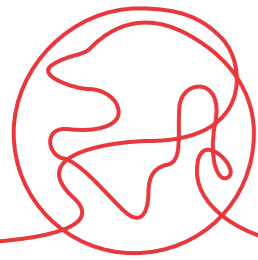


# 52,200

stores

The number of stores handling PINs and gift cards (as of March 31, 2015)





# Overseas Business

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

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.

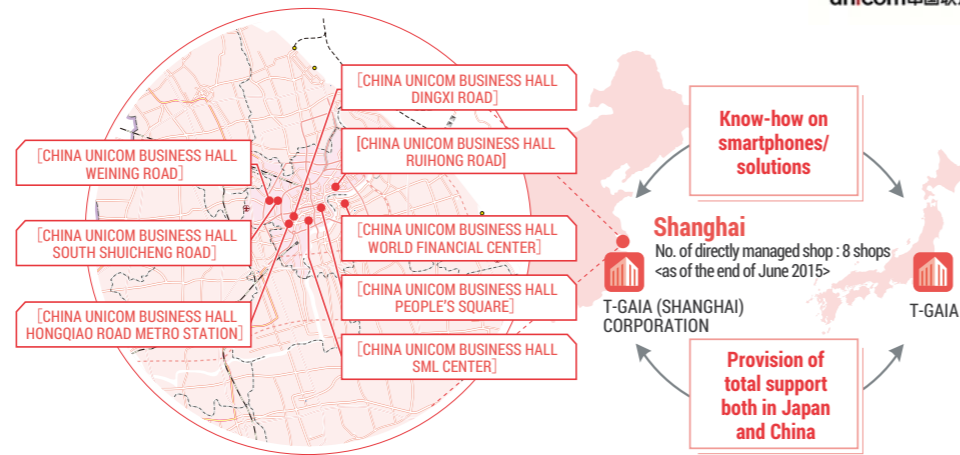
### Business development in China

#### SHOP Business

As of March 31, 2015, we, as a strategic sales agent of China Unicom, operate a total of 8 China Unicom Shops. We operate highly value-added shops with large selections of not only SIM Cards and smartphones but also tablets and other related products that match those of specialty shops. Moreover, we offer quality services through shop staff proficient in foreign languages.

#### Solution Business

We offer the Support Desk Service, where we accept all operations related to mobile phones on contract, mainly to Japanese companies in China. In January 2015, we began handling the products of China Mobile brand in addition to China Unicom. In an effort to meet every need of corporate clients, we will continue offering services including many solutions using smartphones.



### Business Development in Singapore

#### Settlement Service Business

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



# Training & Education



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



### Education and Training Programs in TG Academy

In April 2012, we opened TG Academy and have focused on the internal education and training of sales staff since then. TG Academy aims to strengthen the capabilities of the front-line sales staff and enhance customer satisfaction through ongoing quality improvement in sales activities. As of March 31, 2015, the Academy has 350 staff members, including instructors, supervisors, and shop trainers, and supports the upskilling and career development of sales staff through employee education based on a wealth of training programs according to experience or CDP (career development plan). The Academy also contributes to the securing of work-ready employees and the enhancement of motivation through its programs, such as comprehensive training for new employees who were hired at sales bases around the country. In addition, the Academy has expanded training programs geared to different job types, such as "Shop Manager Training" for managers of carrier shops across the country and "Rounder Training" for route sales representatives of large retail stores\*. It communicates "TG WAY", important guiding principles for sales staff, during training to ensure that all sales staff members have a shared awareness of the social significance of our sales activities.

\*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.



### Establishment of Career Design Academy

With the aim of further evolving and developing the TG Academy, T-Gaia and J-COM GROUP, a staffing company, jointly established Career Design Academy Co., Ltd. (CDA). CDA aims to create an environment that enables growth of both the company and its employees by providing career development support to employees.

### Background to the Establishment of Career Design Academy

Along with the recent rapid dissemination of smartphones and tablets, mobile phone shops and their sales staff are required to have higher explanation and presentation skills as well as the capability to manage organizations including the shop operations, which is indispensable for achieving prompt customer service, in addition to conventional hospitality and product/service knowledge. On the other hand, in all industries including the mobile phone sales industry, an appetite for investment in human resources to enhance the capabilities of front-line sales staff, the key to the development of any company, has been increasing. In such context, T-Gaia decided to establish CDA with the belief that its expertise in upskilling the front-line sales force, which has been developed through the sales of mobile phones, will contribute to other industries. CDA will commit itself to the production of human resources with high acumen and expertise in the retail business, including the mobile phone sales industry, by providing high quality and highly practical education and training programs that are based on the long accumulated know-how and proven record of accomplishment of T-Gaia.

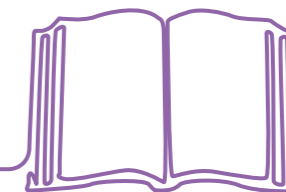


**Corporate Logo**  
The corporate logo of CDA represents the images of a compass and diamond and means that the company will play a role as a compass that guides customers' career development to enable them to achieve social lives as bright as diamond.



shops

The number of T-Gaia group's China Unicom shops (as of March 31, 2015)



## Strengthening the compliance system and promoting internal awareness activities

The T-Gaia Group positions compliance as one of top priorities in business management and has the Compliance Committee led by a chief compliance officer (CCO) in place. In the committee, various issues related to compliance are discussed for further improvement. By appointing an employee dedicated to compliance in each business base and establishing the Compliance Promotion Department as a permanent compliance promotion organization under the direct control of the President, we make ongoing efforts to maintain and strengthen the compliance system and enhance employees'

compliance awareness through internal enlightenment activities. The T-Gaia Group shows its commitment to compliance to all executives and employees by distributing compliance manuals and providing compliance education. Furthermore, we have established several routes, including an internal contact point, external organizations, and law firms, for whistleblowing and compliance consultation to ensure the early identification and capturing of compliance issues and risk information.



### Compliance Organization Chart



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

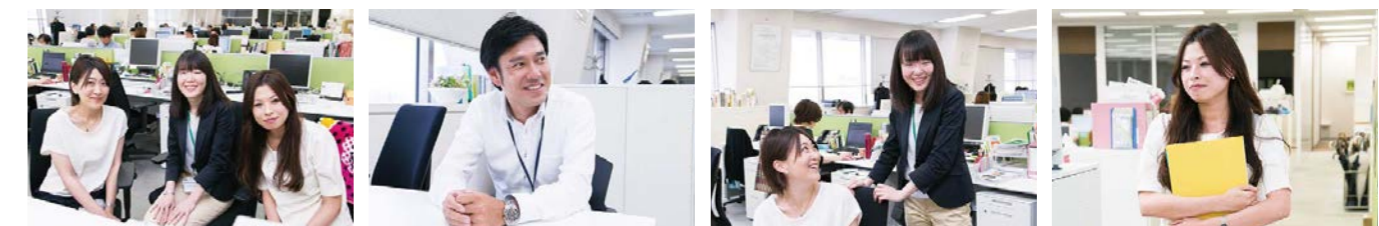
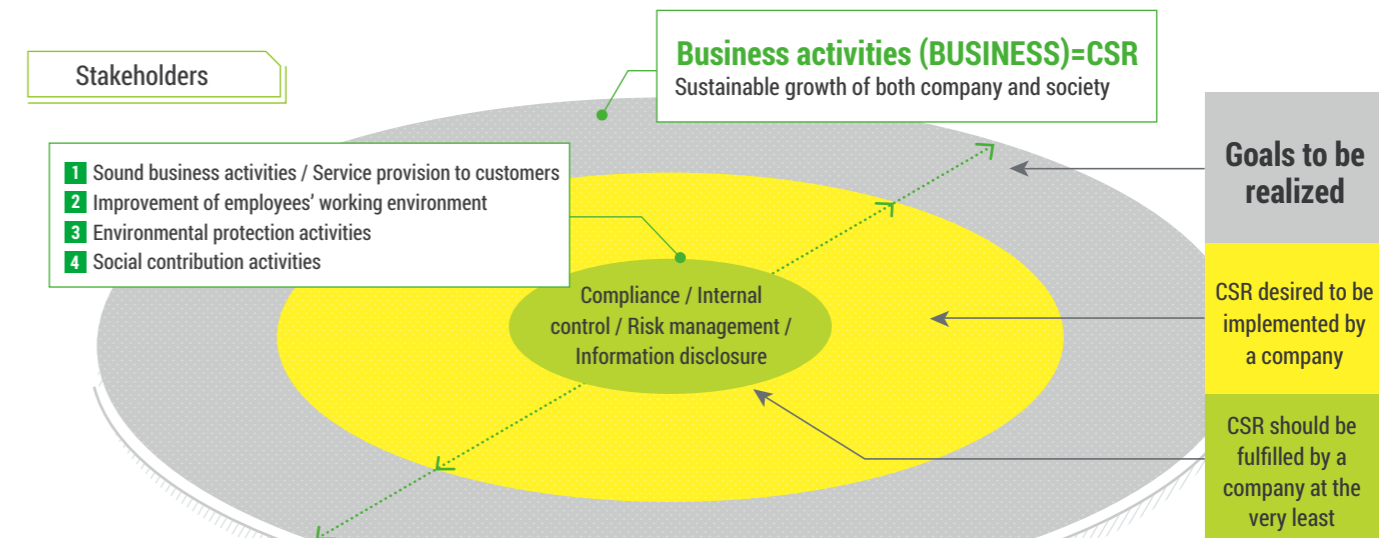
PrivacyMark is a system of certifying business entities that have a system in place to take all necessary steps to protect personal information in accordance with the Japanese Industrial Standards Committee (JIS) Q 15001 Personal Information Protection Management Systems – Requirements, to grant the 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.



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

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 employee s' 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.

Japanese Paralympics Committee, Japanese Para-Sports Association

JPC Official Supporter By courtesy of Japanese Para-Sports Association

We promote "the CUP FOR TWO" Program in support of the activities of TABLE FOR TWO International, a non-profit organization.

**TABLE FOR TWO**

[Source: NPO TABLE FOR TWO International]

March 2015

Participated in the qualifying rounds for the Queensland Open Athletics Championships (100 meters and 200 meters sprint for women)

May 2015

Participated in the IPC authorized Oita Para Athletics 2015 (100 meter and 200 meter sprints for women)

We enhance diversity including the recruitment and promotion of female employees.

Madoka Masumoto, our employee

Support member of The Eye Mate Inc.

By courtesy of The Eye Mate Inc.

Strengthening and early implementation of the Super Cool Biz campaign to reduce power consumption

As part of our mecenat activities (to provide support for arts and cultural activities), we sponsor the Japan Philharmonic Orchestra.

人、自然、自然 — 日本フィルのオーケストラ。

[Source: Japan Philharmonic Orchestra]



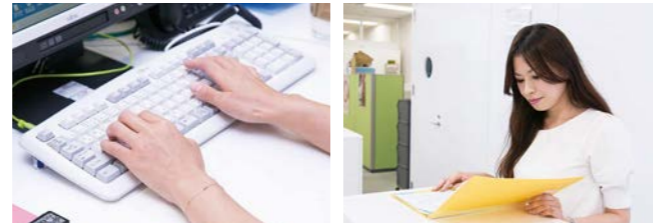
## Smooth Relationships with every Stakeholder under a Solid Governance System

T-Gaia deems corporate governance a framework to control its business activities and believes that it is essential that the rights and interests of shareholders are protected and equally guaranteed. It also believes that it should respect the rights and interests of stakeholders other than shareholders, such as customers, business partners, employees, and local communities, and build smooth relationships with each of them. Specifically, an institutional framework is established in such a way to ensure management transparency and the maintenance and expansion of corporate value through practice in daily activities. The securing of management transparency is ensured by clearly defining the role and decision-making process of the board of directors and those of the board of auditors and by disclosing important facts that may impact the management of the company in a timely and proper manner.

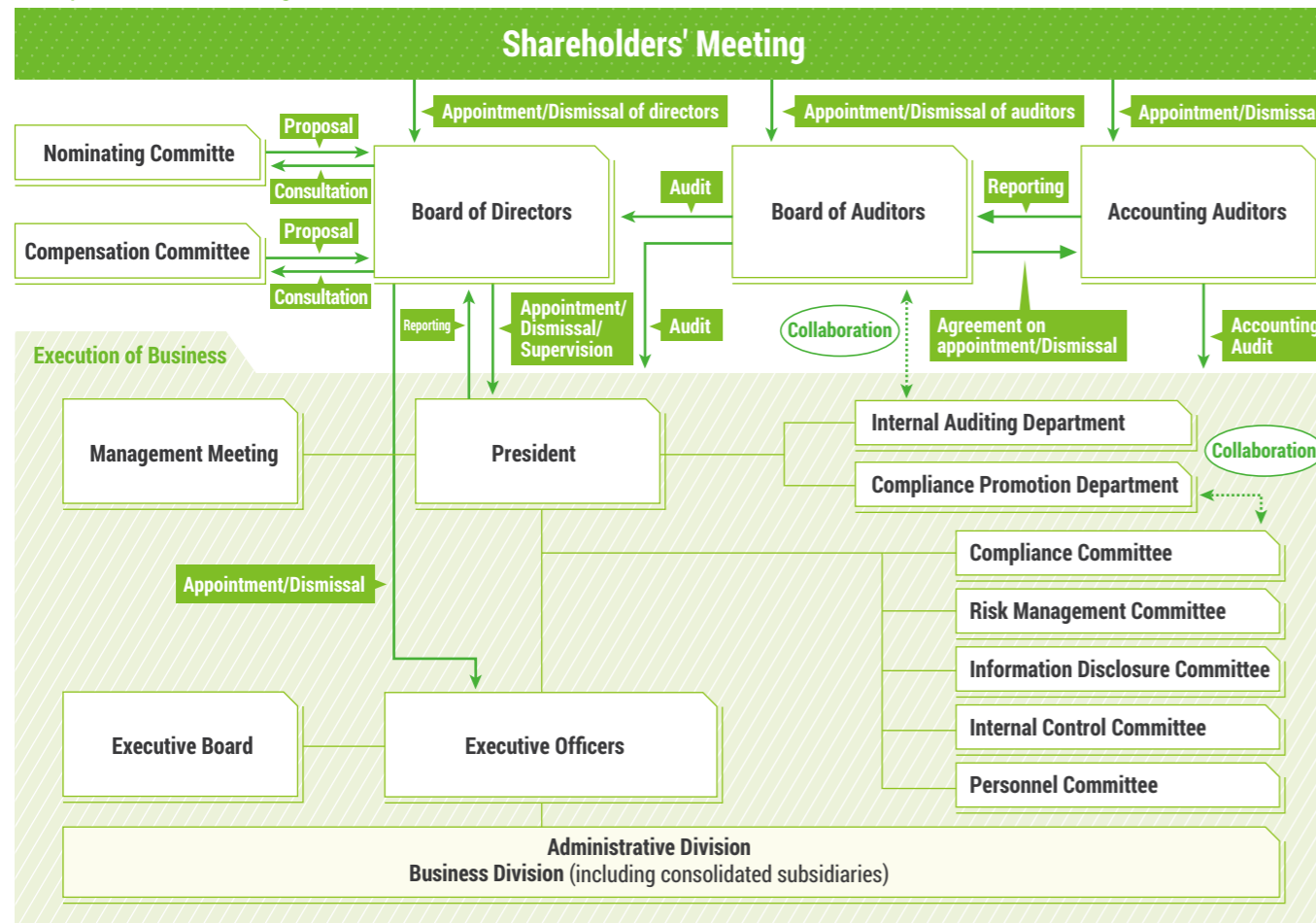
On the other hand, the maintenance and expansion of corporate value is ensured through the internal control system, which combines an internal auditing system with a performance responsibility system where headquarters, regional headquarters, departments, and branches are held accountable for the execution of operations and securing the company's profitability. In particular, for legal compliance issues, the Compliance Committee with the Chief Compliance Officer as a chairperson is established,

where compliance issues including risk management, such as customer information management, are discussed and proper actions to take are determined.

Moreover, in response to the Whistle-Blower Protection Act, a whistleblowing system has been established, which includes a private company specialized in compliance management and external lawyers. Proper business operation of the company is secured by audits that are implemented by external auditors with expertise in corporate management, finance, accounting, and legal matters in collaboration with the internal auditing department and auditing company. In addition, in an effort to enhance management transparency, the Nominating Committee and the Compensation Committee are established as advisory bodies to the board of directors.

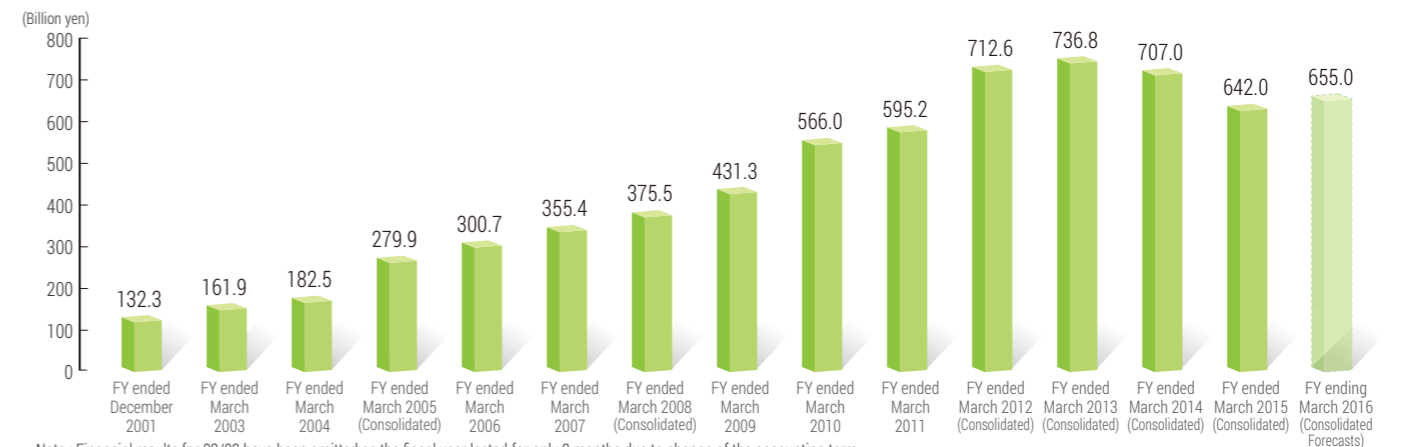


### Corporate Governance Organizational Chart



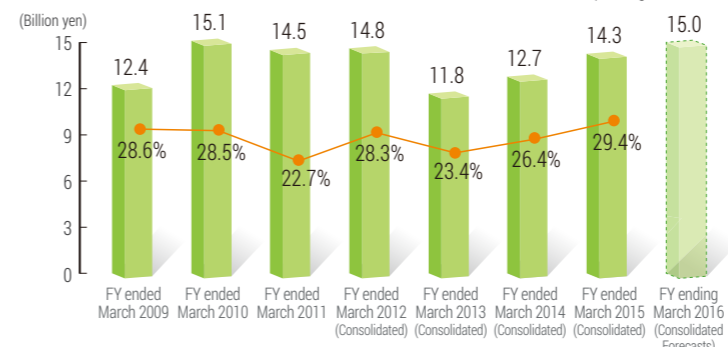
## Strengthening earning power and competitiveness while optimizing management resources

### Longitudinal Data on Net Sales

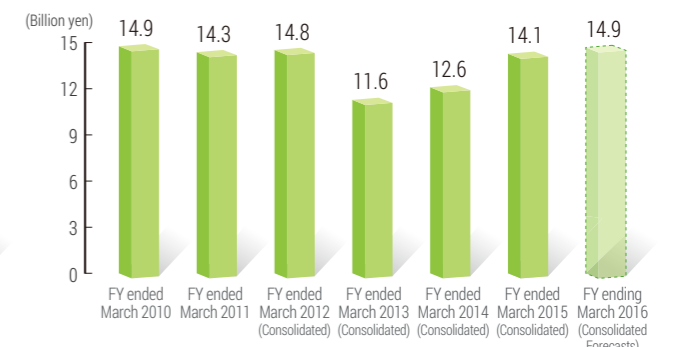


Note: Financial results for 02/03 have been omitted as the fiscal year lasted for only 3 months due to change of the accounting term.  
 Note: The consolidated financial results are shown for the fiscal year ended March 2005 by reflecting that JRC Mobitec Co., Ltd. became a subsidiary as of December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

### ROE (return on equity) & Operating Income

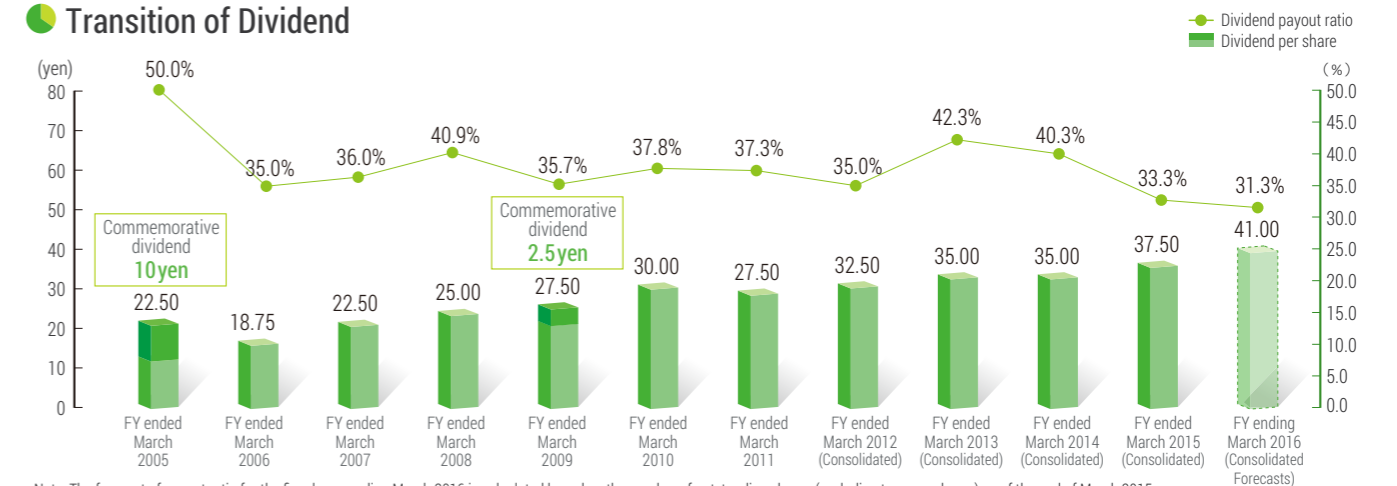


### Ordinary Income



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.

### Transition of Dividend

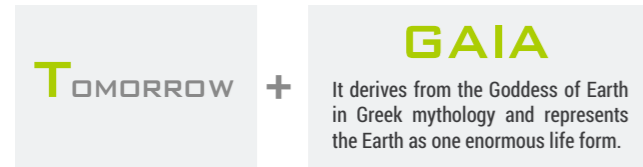


Note: The forecast of payout ratio for the fiscal year ending March 2016 is calculated based on the number of outstanding shares (excluding treasury shares) as of the end of March 2015.

## 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.



### ► 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 )

<b>1 Challenge</b> 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.	<b>2 Change</b> 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.	<b>3 Communication &amp; Teamwork</b> 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.
<b>4 Speed</b> 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.	<b>5 Professional</b> 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.	<b>6 Development of Human Resources</b> 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.
		<b>7 Compliance</b> 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.

### ► 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.



## Celebrating its 7th anniversary, we take a step forward to add another brilliant page in our history

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	3,154 million yen																								
Date of Establishment	February 1992																								
Major shareholders	Sumitomo Corporation, Mitsubishi Corporation																								
Board Members	<table border="0"> <tr> <td>Chairman, Board of Directors</td> <td>Tetsuro Takeoka</td> </tr> <tr> <td>President &amp; Chief Executive officer</td> <td>Toshifumi Shibuya</td> </tr> <tr> <td>Director, Executive Vice President</td> <td>Bunpei Katayama</td> </tr> <tr> <td>Director, Executive Vice President</td> <td>Nobutaka Kanaji</td> </tr> <tr> <td>Director, Senior corporate executive officer</td> <td>Soichiro Tada</td> </tr> <tr> <td>(External) Director</td> <td>Tatsujiro Naito</td> </tr> <tr> <td>(External) Director</td> <td>Masami Atarashi</td> </tr> <tr> <td>(External) Director</td> <td>Tsuyoshi Konda</td> </tr> <tr> <td>Corporate Auditor</td> <td>Makoto Ikadai</td> </tr> <tr> <td>Corporate Auditor</td> <td>Yoshihiro Koda</td> </tr> <tr> <td>(External) Corporate Auditor</td> <td>Yukihide Matsuoka</td> </tr> <tr> <td>(External) Corporate Auditor</td> <td>Toshiro Kaba</td> </tr> </table>	Chairman, Board of Directors	Tetsuro Takeoka	President & Chief Executive officer	Toshifumi Shibuya	Director, Executive Vice President	Bunpei Katayama	Director, Executive Vice President	Nobutaka Kanaji	Director, Senior corporate executive officer	Soichiro Tada	(External) Director	Tatsujiro Naito	(External) Director	Masami Atarashi	(External) Director	Tsuyoshi Konda	Corporate Auditor	Makoto Ikadai	Corporate Auditor	Yoshihiro Koda	(External) Corporate Auditor	Yukihide Matsuoka	(External) Corporate Auditor	Toshiro Kaba
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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, overseas business																								
Sales territory	All over Japan, China(Shanghai), Singapore																								
Number of employees	4,546 (as of March 31, 2015)																								
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) <small>(as of June 19, 2015)</small>																								



Toshifumi Shibuya  
President & CEO



### ► Corporate History





# T-GAIA CORPORATION

Ebisu Neonato 14-18F 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575 Japan  
<http://www.t-gaia.co.jp>

