

Non-Consolidated 1Q Financial Results for FY ending March 2012

August 2011



T-gaia Corporation

TSE:3738

*This material contains statements about the future performance of T-Gaia, which are based on management's assumptions and beliefs taking information currently available into consideration. Therefore, please be advised that T-Gaia's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in T-Gaia's principal markets as well as other factors detailed from time to time.

**Outline of 1Q Financial Results
for FY ending March 2012**

Outline of 1Q Financial Results for FY ending March 2012

(Unit : million yen)	11/3 1Q Results	12/3 1Q Results	YoY Change (%)	12/3 1H Forecasts	1H Achievement Ratio (%)	12/3 Full-year Forecasts	Full-year Achievement Ratio (%)
Net Sales	138,812	155,516	112.0%	315,000	49.4%	660,000	23.6%
Gross Margin (to Net Sales)	14,574 (10.5%)	14,754 (9.5%)	101.2%	31,150 (9.9%)	47.4%	64,450 (9.8%)	22.9%
SGA Expenses	11,319	11,733	103.7%	24,800	47.3%	49,800	23.6%
Operating Income (to Net Sales)	3,254 (2.3%)	3,021 (1.9%)	92.8%	6,350 (2.0%)	47.6%	14,650 (2.2%)	20.6%
Ordinary Income (to Net Sales)	3,229 (2.3%)	3,005 (1.9%)	93.1%	6,250 (2.0%)	48.1%	14,400 (2.2%)	20.9%
Net Income (to Net Sales)	1,534 (1.1%)	1,630 (1.0%)	106.2%	3,350 (1.1%)	48.7%	7,850 (1.2%)	20.8%

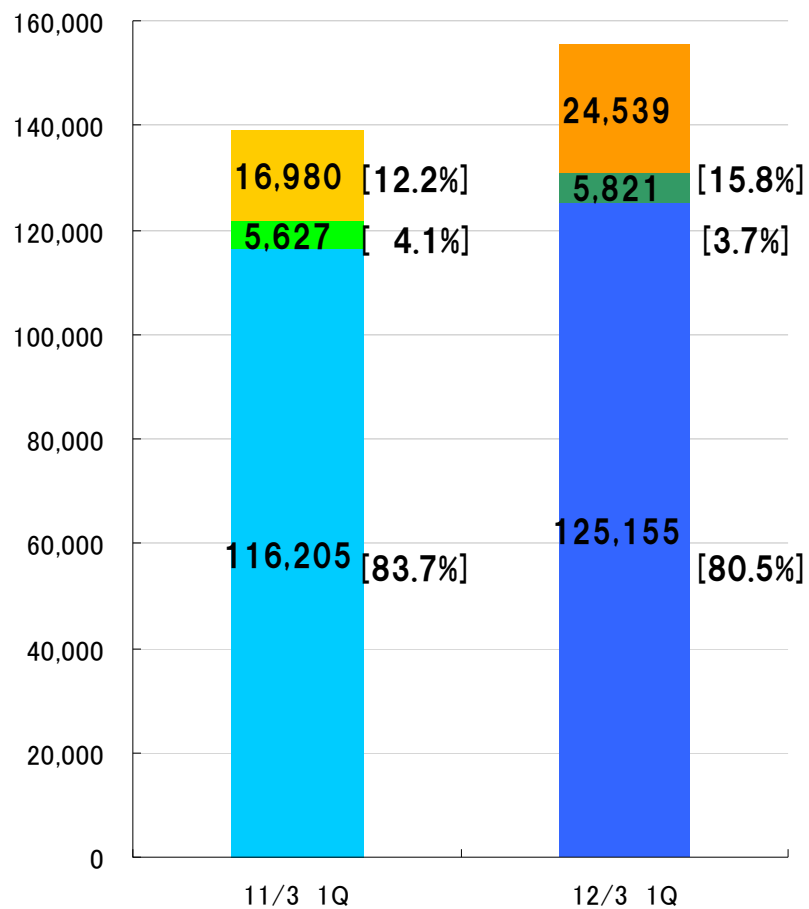
※ Posted extraordinary loss comprised mainly of 400 million yen related to the first-time application of the Accounting Standard for Asset Retirement Obligations in 11/3 1Q.

2012/3 1Q Financial Results & Business Segment

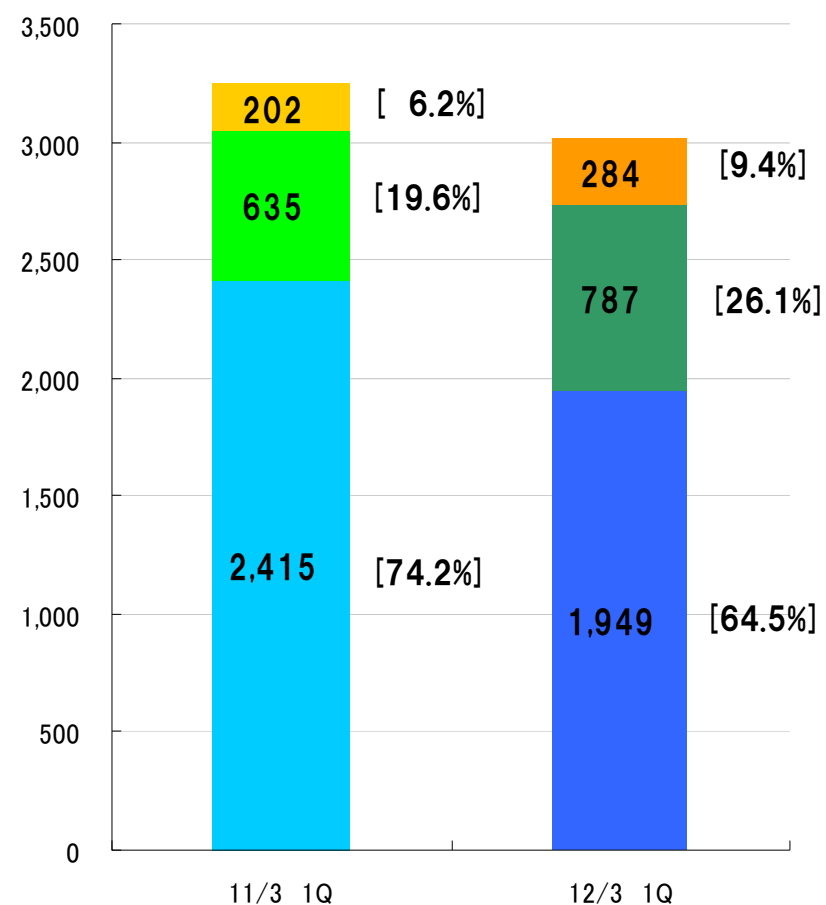
- Prepaid Settlement Service & Others
- Fixed-line Business
- Mobile-phone Business

(Unit : Million yen)

Net Sales

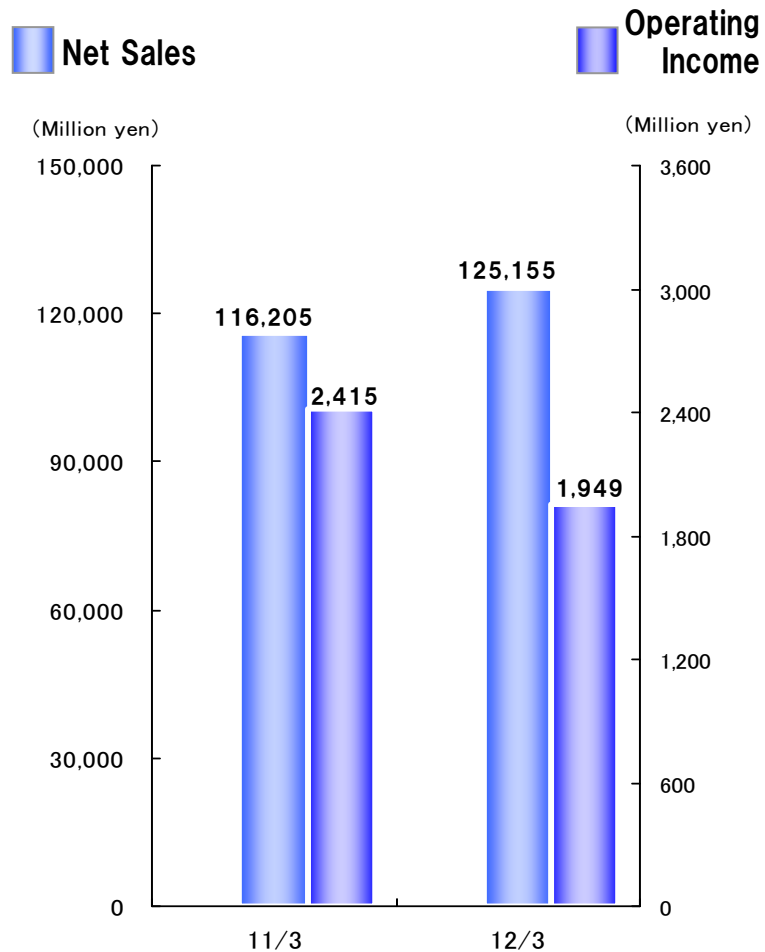


Operating Income





Financial Results



☆ Despite increase of net sales & sales volume, operating income decreased due to change of product mix and strengthening of sales force for smart-phones

Market Environment & Business Strategy

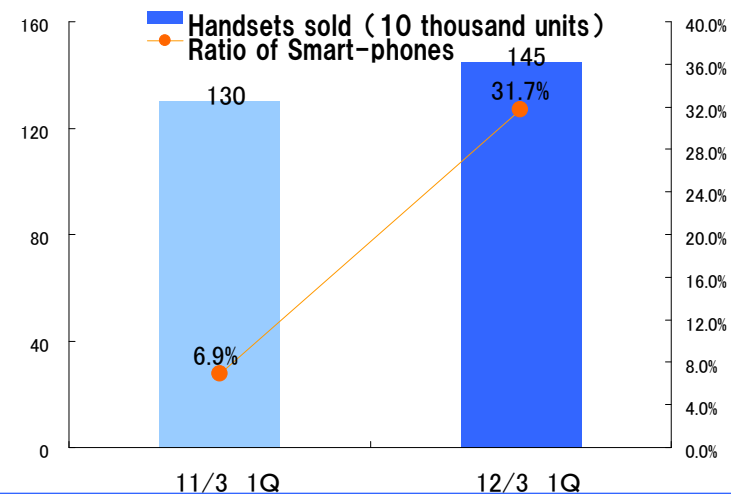
- Increasing Smart-phone & Data ARPU
- Penetration of data communication terminals such as data cards, digital photo-frames and WiFi routers
- Demand generated by the changeover from old-standard handsets
- Smart-phones & tablets for corp. clients becoming popular



- Maintain & enhance high customer service quality
- Implement strategic shop allocation including relocation & renovation
- Strengthen sale of smart-phones & tablets based on cooperation with major system integrators

Total No. of Handsets sold

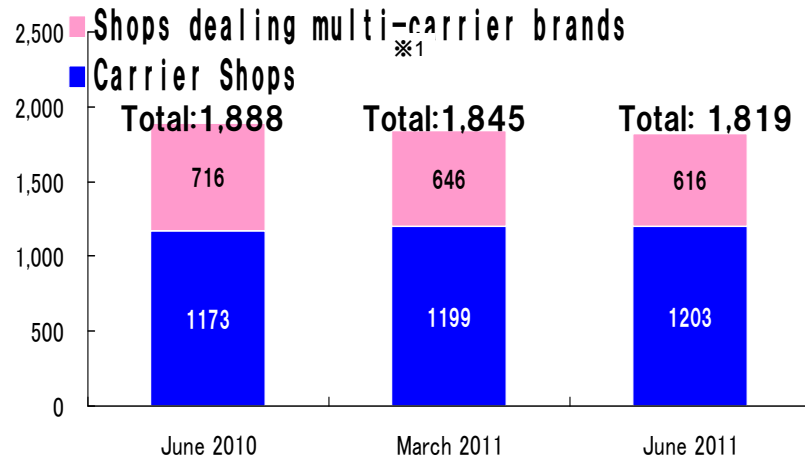
- 1Q Total : 1.455 million units
- ※ Increased 11.4% YoY with Market share of 14.6%



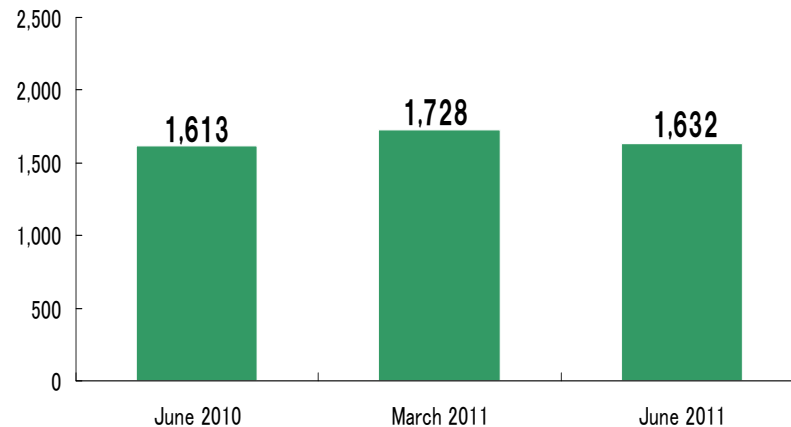


[Marketing for Consumers]

Total No. of Carrier Shops & Multi-carrier Shops



Total No. of Shops in Large Retail Stores



[Marketing for Corporate Clients]

● Expand Business Areas through Cooperation with major System Integrators

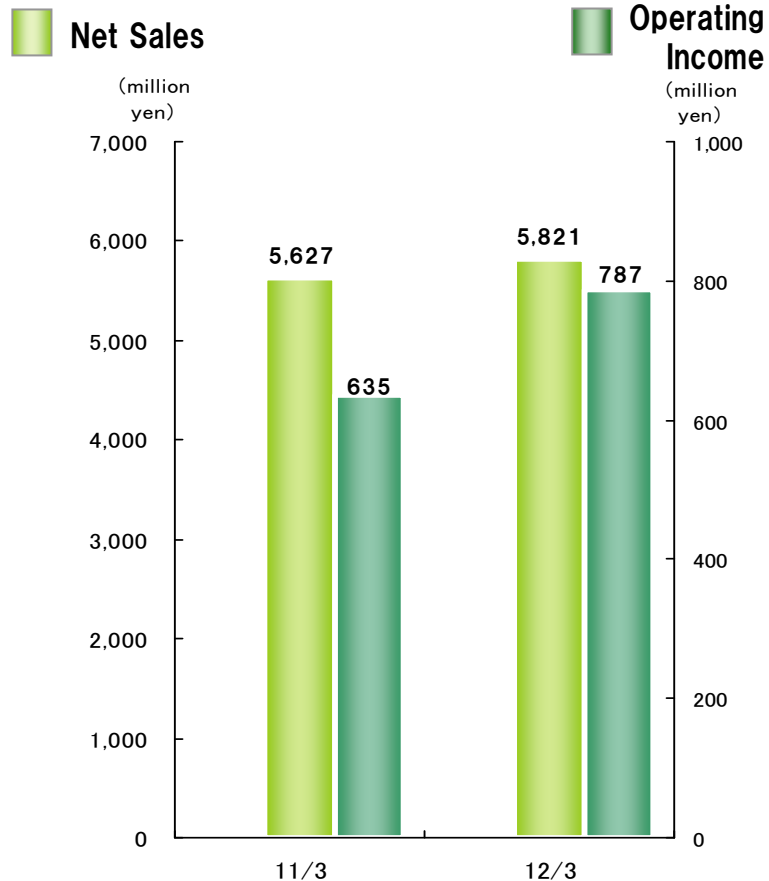
☆ Provide “Cloud Service” to strengthen the security for “Google Apps™ for Business” and promote the business usage of corporate clients using “GALAXY Tab” / “GALAXY S” with NTT docomo brand.

● Improve the Convenience for Corporate Clients using Original Solutions & Meet the Needs for Mobile Terminals such as Smart-phones and/or Tables PCs

- ☆ Provide comprehensive online billing service from mobile-phones to fixed lines with our ASP “movino star”
- ☆ Upgraded existing mobile-phone information management service intended for corporate clients “mss(movino star secures service)” for smart-phones



Financial Results



☆Both net sales & operating income increased due to continuous strengthening of sales agents network, promotion of alliance and expansion of related products & service such as ISP

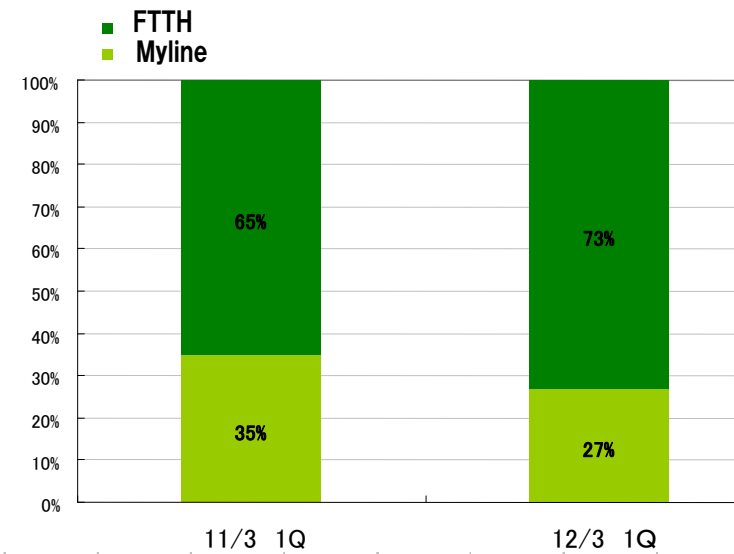
Market Environment & Business Strategy

- MIC plans to provide all Japanese households with optical fiber service by 2015
- Demand for Pocket WiFi routers increase with penetration of smart-phones & tablets
- Saturation of MYLINE service market



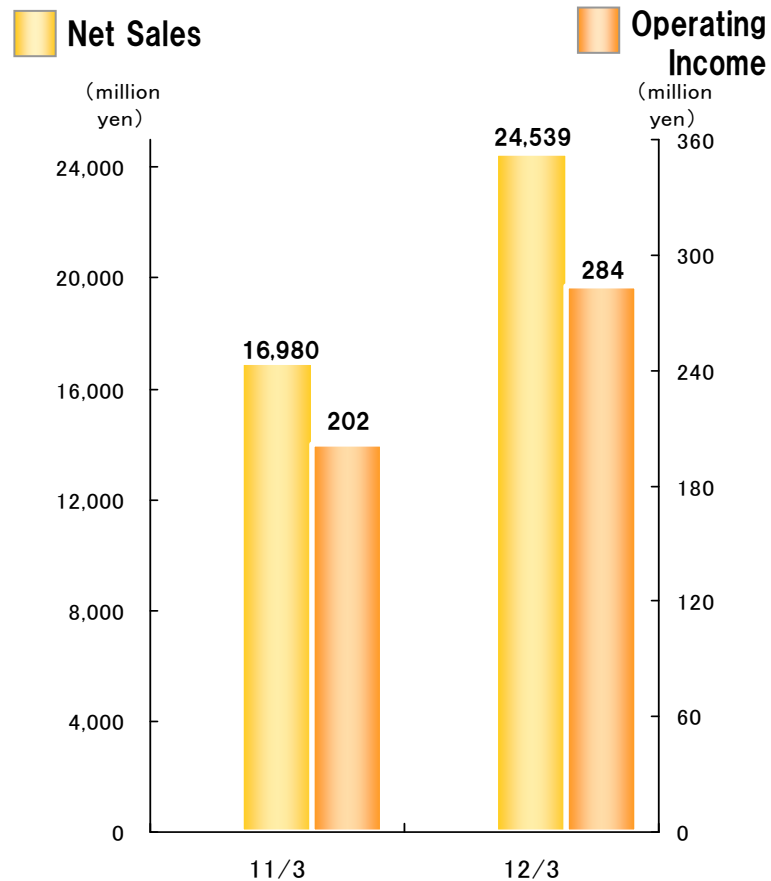
- Promote business alliance with companies in different industries such as real-estate and security company
- Expand fixed-line business through upgraded “movino-star”

[Gross Margin by Product Line]





Financial Results



☆ Both net sales & operating income increased due to growth of settlement service for online shopping as well as purchase of contents on SNS

Market Environment & Business Strategy

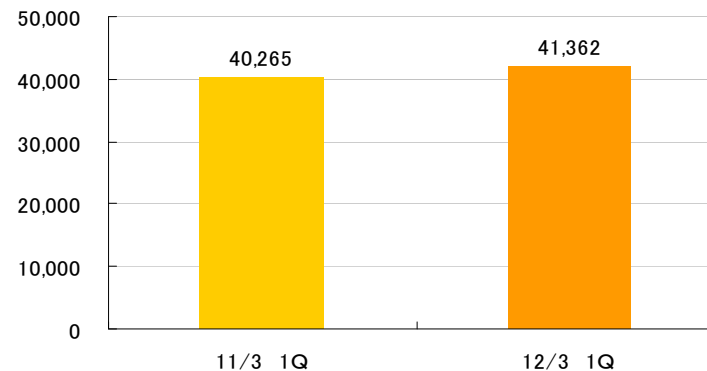
- Settlement amount is drastically increasing with expansion of e-commerce market including contents for SNS game
- Users are also increasing due to improved recognition in major convenience sales channel



- Further expansion of sales channel & Increase of new product lineups
- Launch “Gift Card Mall” service in major convenience store chain utilizing new type of gift cards & prepaid cards



[No. of convenience stores dealing PIN]



Business Development in China

- Aug. 2010 : Launched “T-Gaia (SHANGHAI) CORPORATION” as the First overseas affiliated company for T-Gaia.
- Sep.15, 2010 : Opened the First China Unicom Mobile-phone Shop in Shanghai.
- June 29, 2011 : Opened the Second China Unicom Mobile-phone Shop in Shanghai.

<Consumer Segment> Based on the experience and know-how obtained in Japan, sales activity in the our shops has forged ahead. We will open other Unicom Shops soon and set up three shops in total in this year.

<Corporate Client Segment> We have started sales and marketing activity mainly targeting the group companies of three major Japanese trading companies, and are building the framework for this segment in China.



(Opened the first China Unicom Mobile-phone Shop on Sep. 15, 2010)

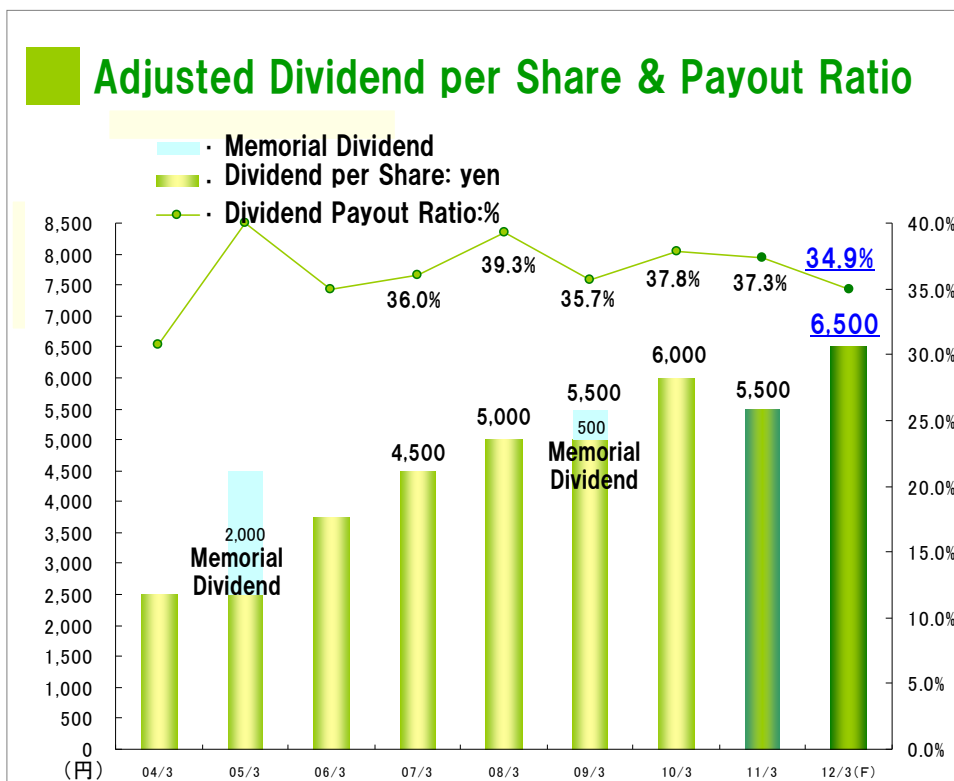
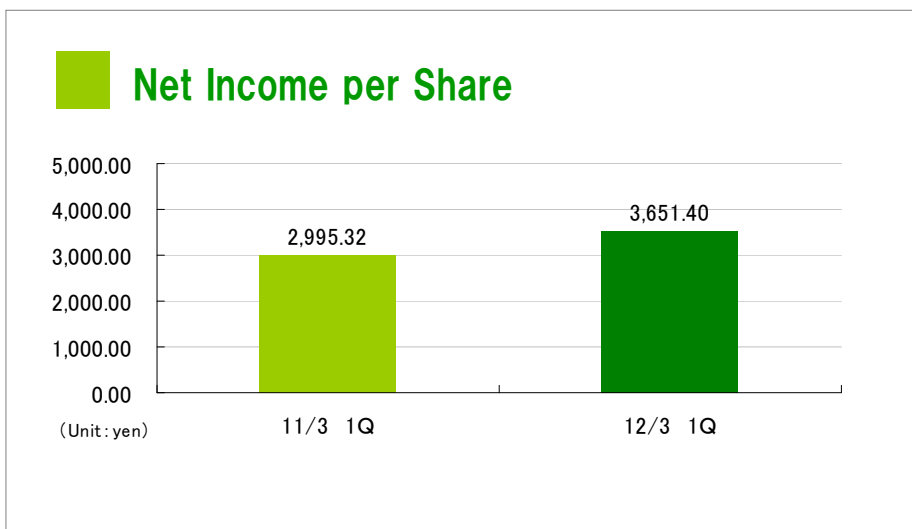
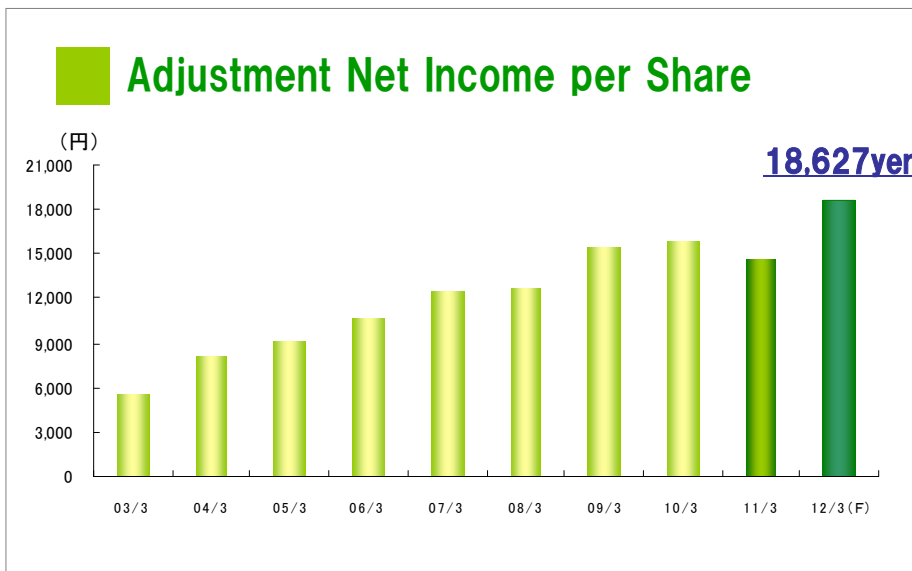


(Opened the second China Unicom Mobile-phone Shop on June 29, 2011)



Financial Strategy & Return to Shareholders

Targeting Dividend Payout Ratio over 30% Level based on our Dividend Policy to Strengthen the Future Business Development and the Management Base



☆ From March 1, 2011 (Tue) to April 4, 2011 (Mon)

Made TOB for Treasury Stock of 91 thousand shares.

Improved EPS as well as ROE as part of further return to shareholders.

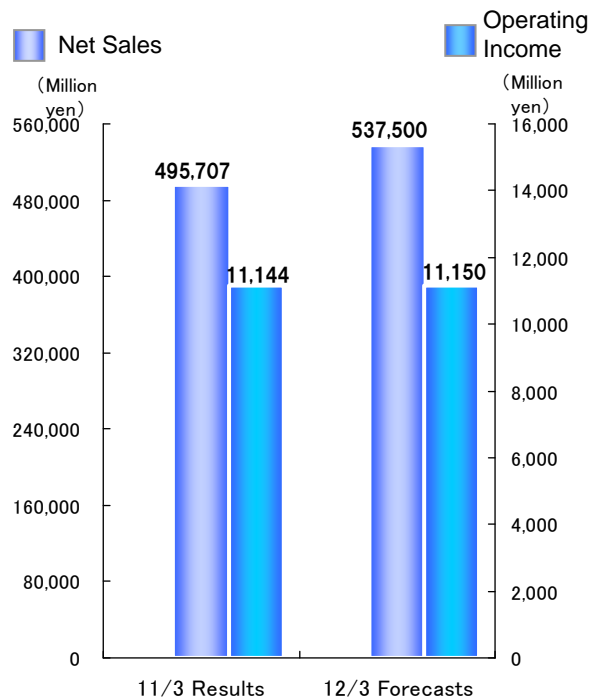
**Future Development & Forecasts
for FY ending March 2012**

Forecasts for FY ending March 2012

(Unit : million yen)	11/3 Full-year Results	12/3 Full-year Forecasts	Change of Amount	Year-on-Year basis (%)	12/3 1H Forecasts
Net Sales	595,217	660,000	64,783	110.9%	315,000
Gross Margin	61,284	64,450	3,165	105.2%	31,150
SGA Expenses	46,759	49,800	3,040	106.5%	24,800
Operating Income	14,524	14,650	125	100.9%	6,350
Ordinary Income	14,395	14,400	4	100.0%	6,250
Net Income	7,554	7,850	295	103.9%	3,350
FCF	5,265	3,100	△2,165	58.9%	-
Net Income/share (yen)	14,742.70	18,627.54	3,884.83	126.4%	7,949.33
Dividend/share (yen) (Payout Ratio)	5,500 (37.3%)	6,500 (34.9%)	1,000	118.2%	3,250 (40.9%)

Forecasts for FY ending March 2012 by Business Segments

Mobile Phone Business



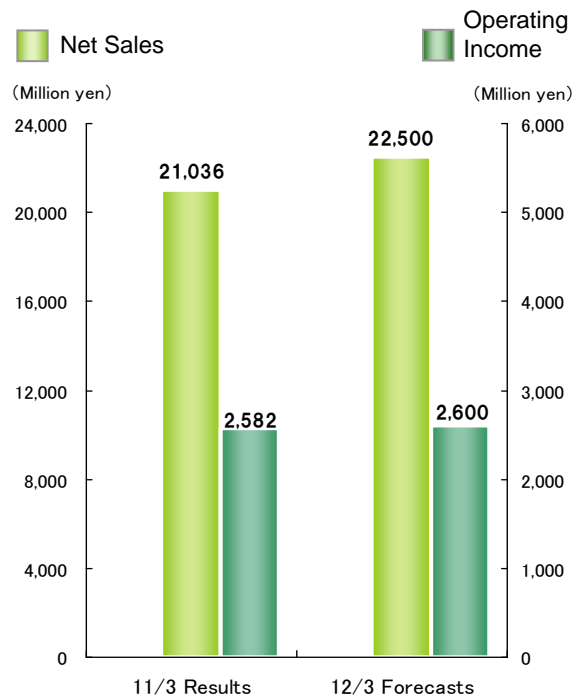
Full-year Forecasts (Mil. yen)

- Net Sales 537,500
- Operating Income 11,150
- No. of handsets sold 6.05 million

<Ref.> 11/3 Results

- Net Sales 495,707
- Operating Income 11,144

Fixed-line Business



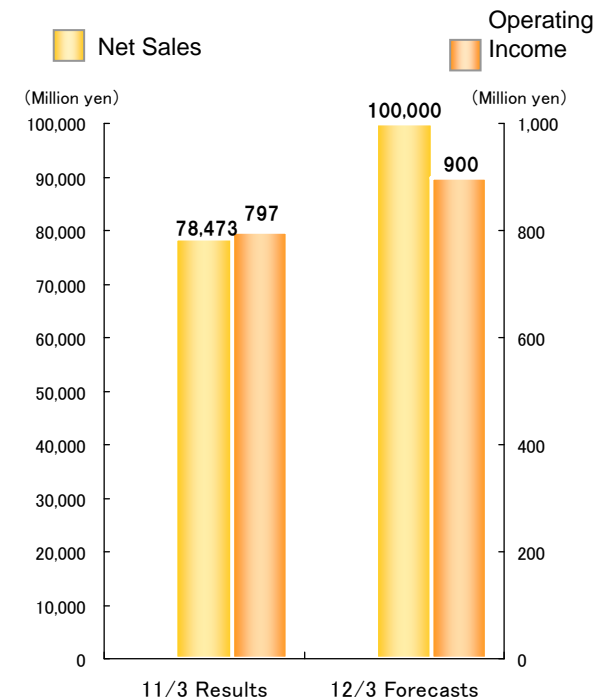
Full-year Forecasts (Mil. yen)

- Net Sales 22,500
- Operating Income 2,600

<Ref.> 11/3 Results

- Net Sales 21,036
- Operating Income 2,582

Prepaid Settlement Service & Other Business



Full-year Forecasts (Mil. yen)

- Net Sales 100,000
- Operating Income 900

<Ref.> 11/3 Results

- Net Sales 78,473
- Operating Income 797

Management Strategy for the Medium & Long Term

