

Non-Consolidated Interim Financial Results for FY ending march 2012



CHALLENGE TOMORROW 

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 Interim Financial Results for FY ending March 2012

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(Unit: million yen)	11/3 Interim Results	12/3 Interim Results	YoY Change (%)	12/3 Full-year Forecasts	Full-year Achievement Ratio (%)
Net Sales	286,828	327,191	114.1%	660,000	49.6%
Gross Margin (to Net Sales)	29,802 (10.4%)	30,670 (9.4%)	102.9%	64,450 (9.8%)	47.6%
SGA Expenses	22,987	24,126	105.0%	49,800	48.4%
Operating Income (to Net Sales)	6,814 (2.4%)	6,543 (2.0%)	96.0%	14,650 (2.2%)	44.7%
Ordinary Income (to Net Sales)	6,746 (2.4%)	6,500 (2.0%)	96.4%	14,400 (2.2%)	45.1%
Net Income (to Net Sales)	3,481 (1.2%)	3,535 (1.1%)	101.6%	7,850 (1.2%)	45.0%
Net Income/share (yen)	6,794.97	8,149.61	119.9%	18,627.54	—
Dividend/share (yen) (Payout ratio)	2,750 (40.5%)	3,250 (39.9%)	118.8%	6,500 (34.9%)	—

※ 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.

Outline of Interim Financial Results for FY ending March 2012 on a Quarterly basis

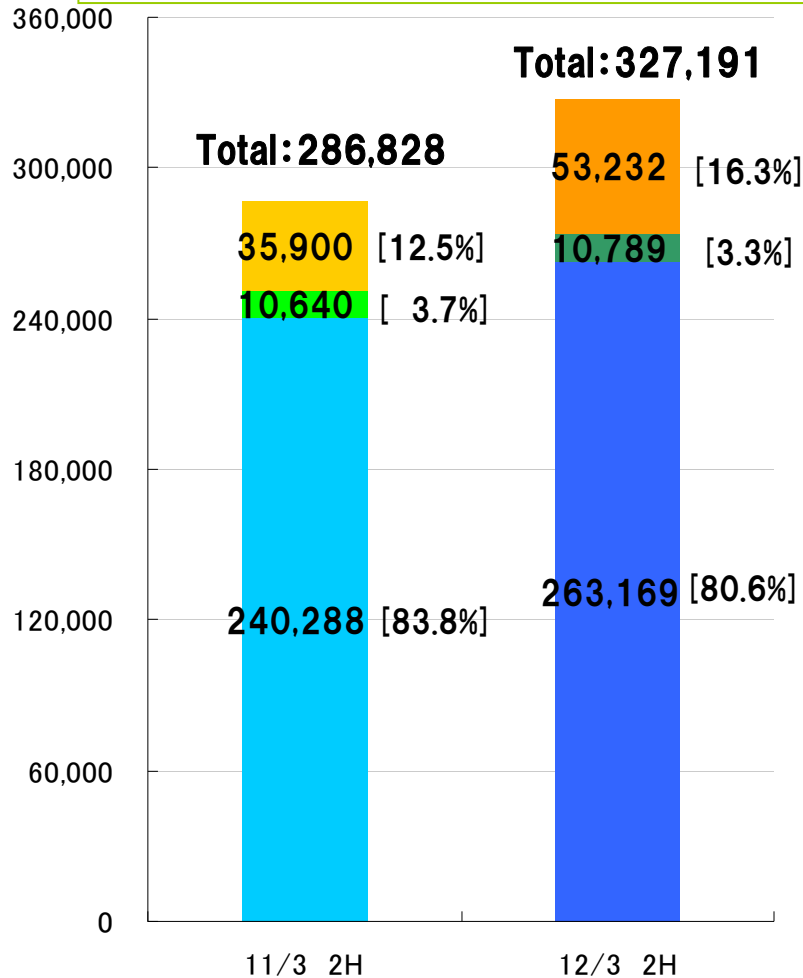
(Unit : million yen)	1 Q	2 Q	1H	1H Forecasts	1H Achievement Ratio
Net Sales	155,516	171,675	327,191	315,000	103.9%
Gross Margin	14,754	15,915	30,670	31,150	98.5%
SGA Expenses	11,733	12,393	24,126	24,800	97.3%
Oprating Income	3,021	3,522	6,543	6,350	103.0%
Ordinary Income	3,005	3,495	6,500	6,250	104.0%
Net Income	1,630	1,905	3,535	3,350	105.5%

2012/3 Interim Financial Results by Segment

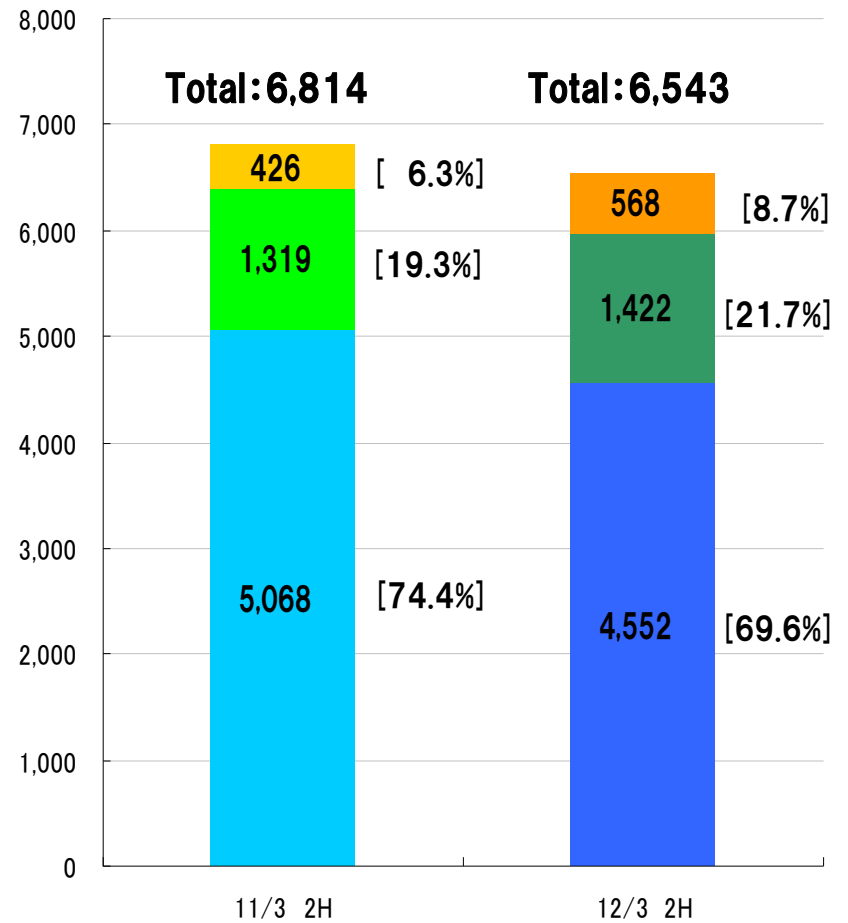
- Prepaid Settlement Service & Others
- Fixed-line Business
- Mobile-phone Business

(Unit : million yen)

Net Sales



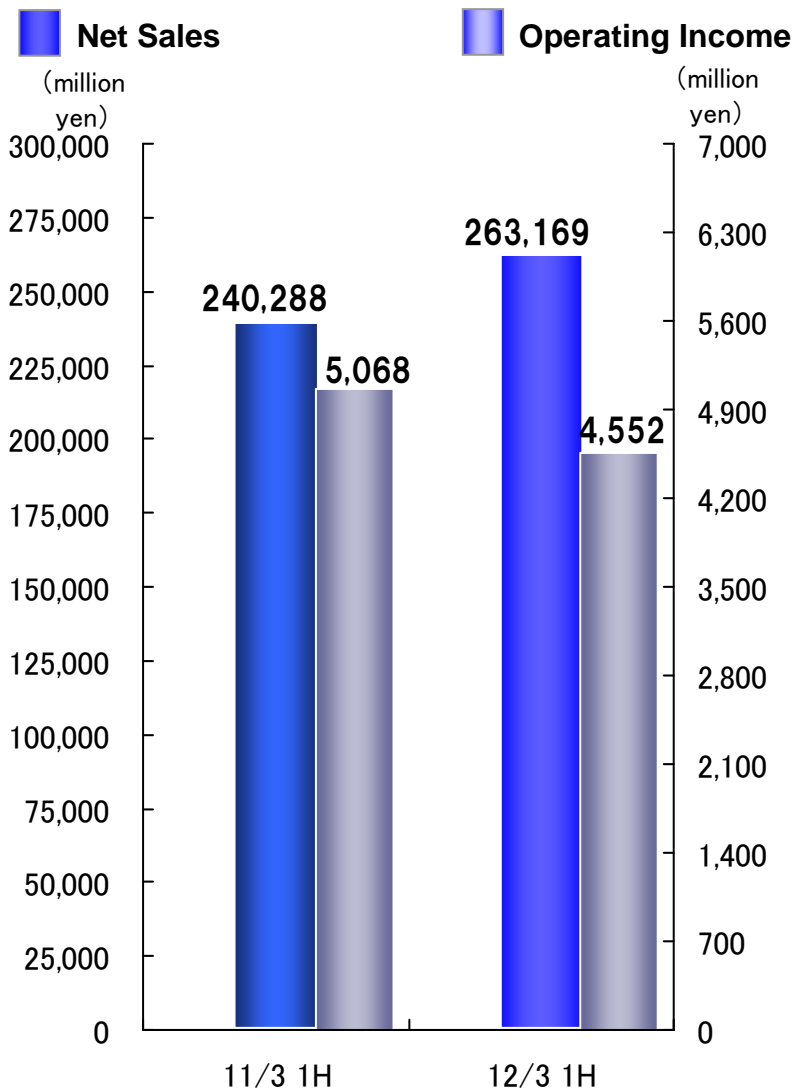
Operating Income



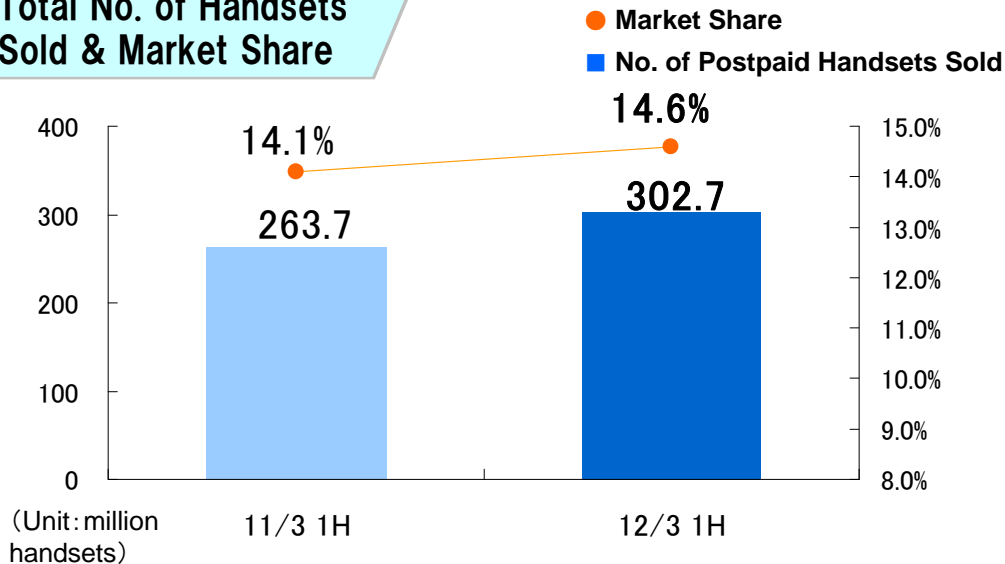


2012/3 Interim Financial Results by Segment

Financial Results

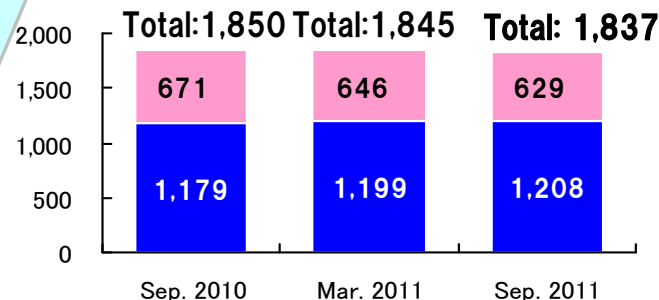


Total No. of Handsets Sold & Market Share

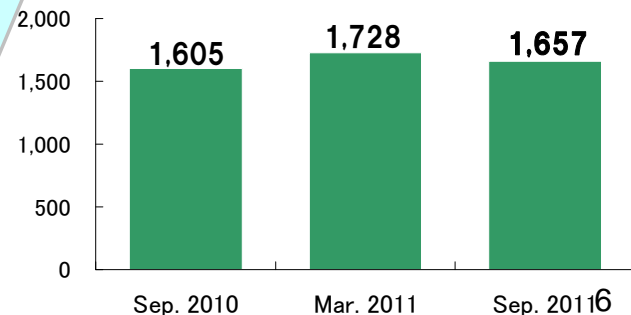


Carrier Shops & Multi Carrier Shops in Japan

- Multi-carrier Shops
- Carrier Shops



Shops in Large Retail Stores & GMS



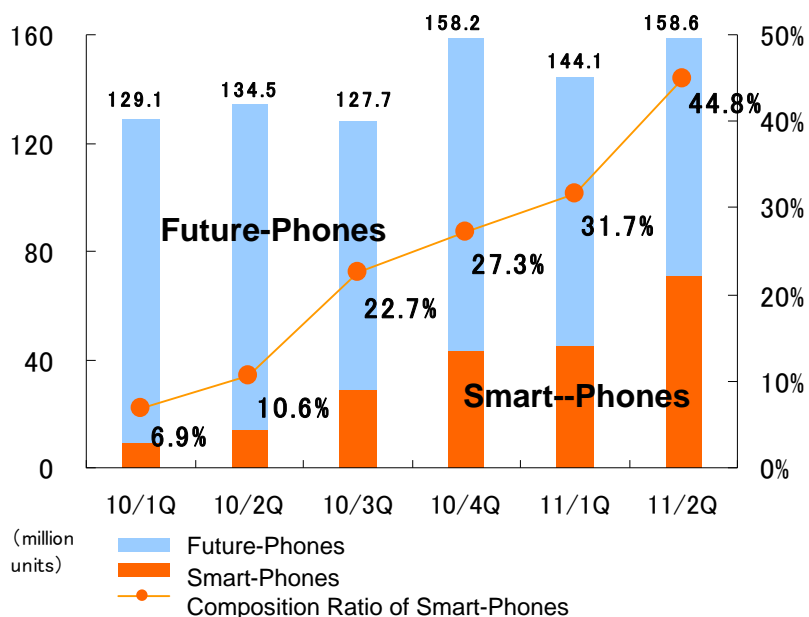


Strengthen Sale of Smart-phones/Tablets and Related Products

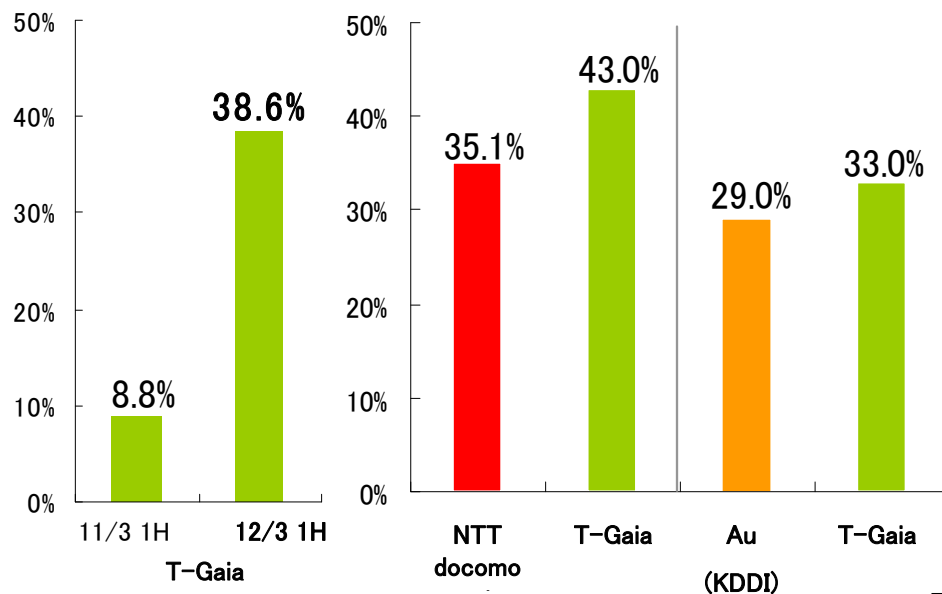
- ☆ Increase the Number of Sales Staff
- ☆ Implement New Construction, Relocation and Renewal of Directly-managed Carrier Shops
- ☆ Expand Sales of Accessory
- ☆ Start Selling Affiliate Advertizing of Application for Smart-phones



【 Total No. Handsets Sold & Composition Ratio of Smart-phones on a Quarterly basis 】



【 Composition Ratio of Smart-phones for Telecom Carriers & T-Gaia in 12/3 1H 】





● Retain Corporate Clients Utilizing Mobile-phone Info. Mgmt. Service “movino star” and Other Original Solutions

● Promote Introduction of Smart-phones/Tablets PCs

☆ Meet the needs for stronger security of terminals

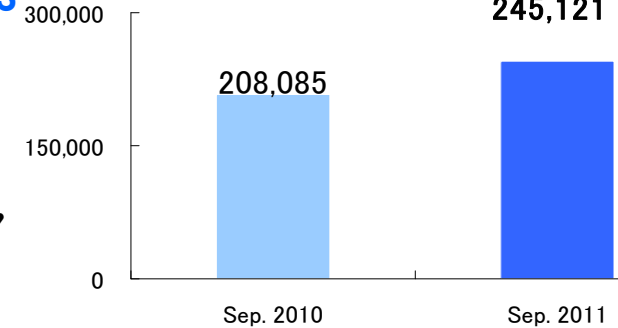
• Start selling MDM (Mobile Device Mgmt.) solution “mdport” for Android OS

• Upgraded existing mobile-phone information management service intended for corporate clients “mss (movino star secures service)” for smart-phones

☆ Newly launch the Helpdesk for corporate clients

☆ Strengthen alliance with solution partners

【Total No. of Subscribers for “movino star” Service】



Participation in “CEATEC JAPAN 2011”

Date: Oct. 4 to 7, 2011

Site: Makuhari Messe in Chiba Pref.

No. of Participants : 586 companies

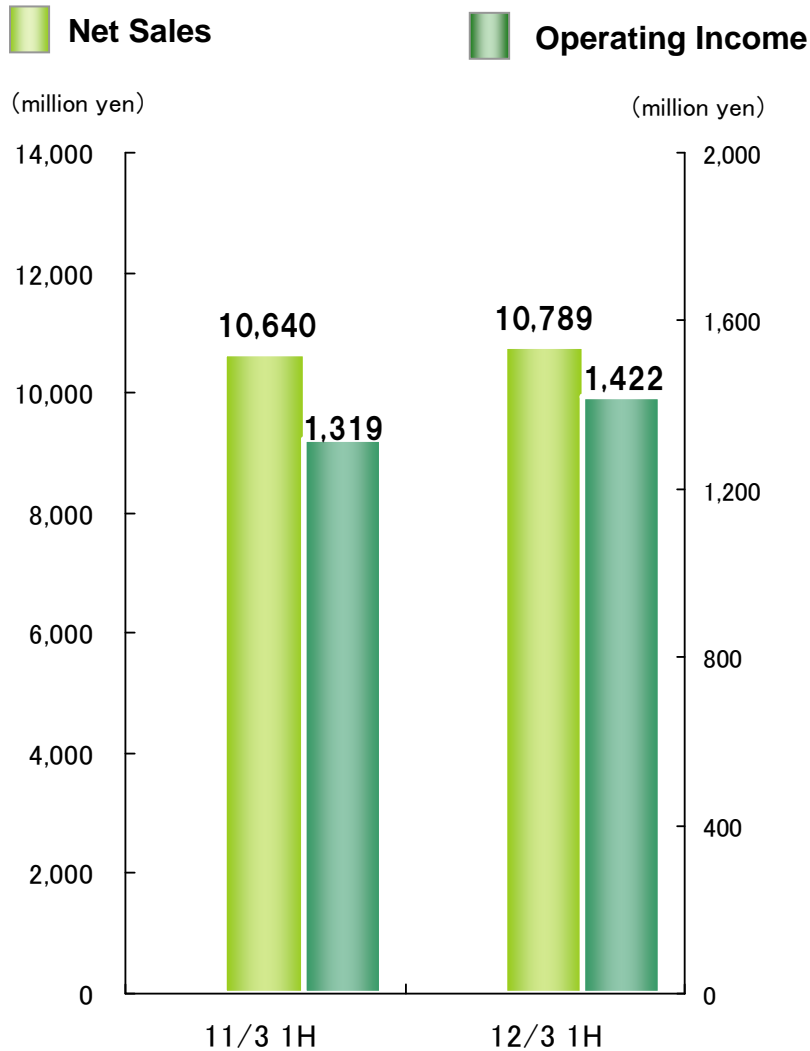
No. of Guests: 142,707 in total for 4 days

NO. of Guests visited our booth: 4,442 in total



• Made a presentation on our original solutions such as “movino star”, “mss” and “mdport” based on the cooperation with our five solution partners

Financial Results

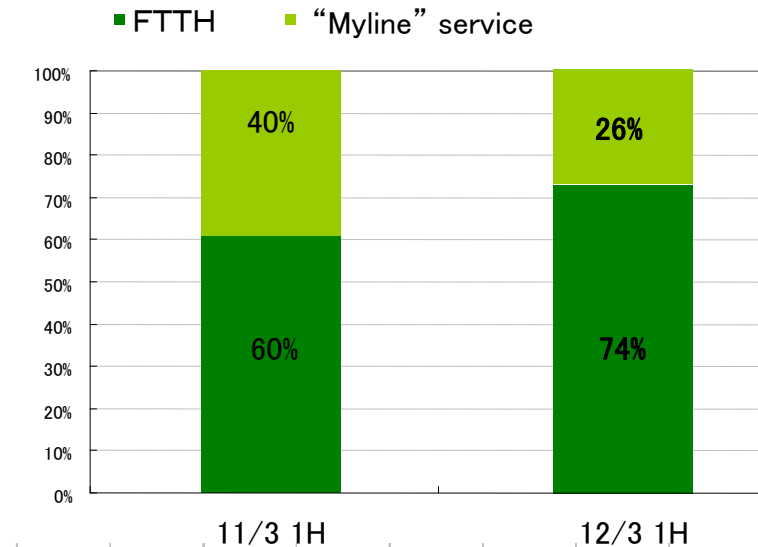


Business Strategy

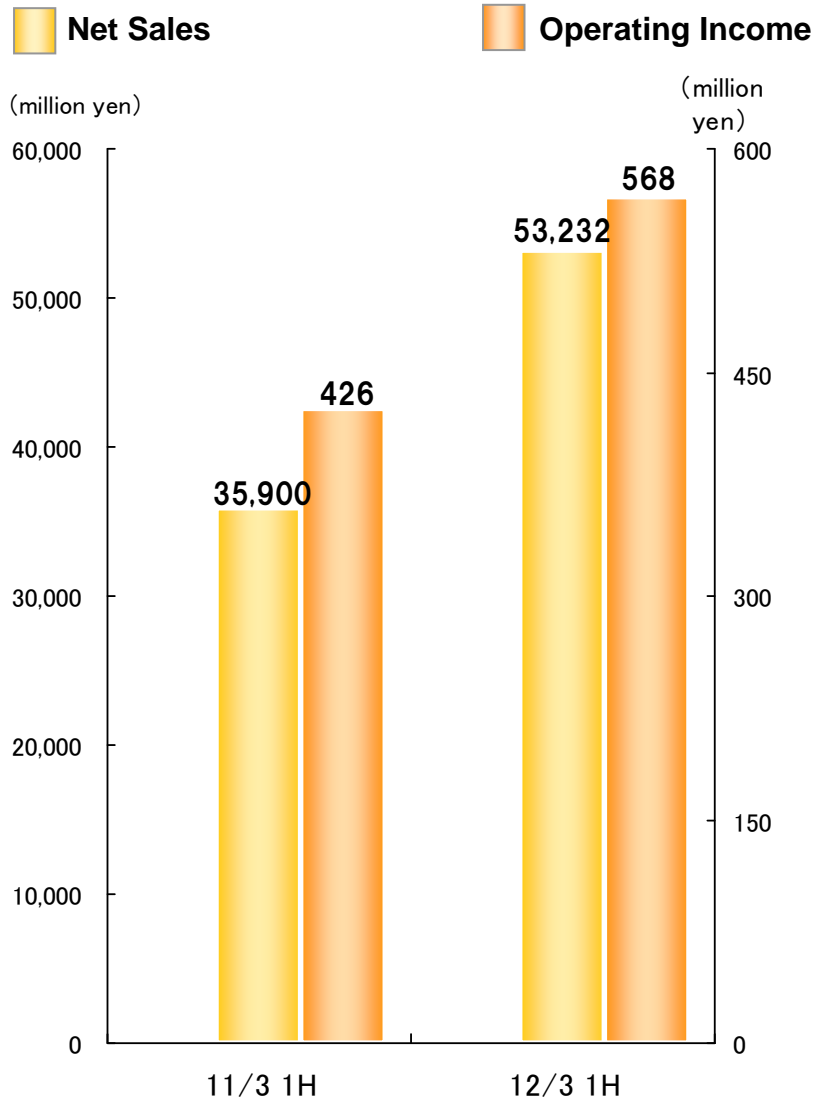
● Strengthen Sale of FTTH & Related Products

- Promote marketing for SOHO with introduction of new rate plan
- Expand sale of related products such as ISP

[Gross Margin by Product Line]



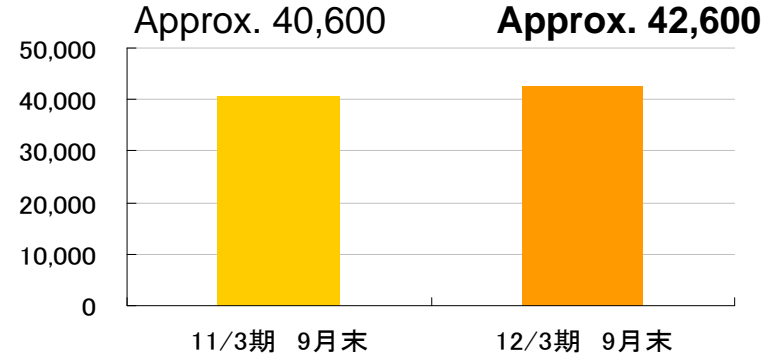
Financial Results



Market Environment & Business Strategy

● Settlement amount is drastically increasing with expansion of e-commerce market including contents for SNS game

[No. of convenience stores dealing PIN]



● Launch “Gift Card Mall” service in major convenience store chain utilizing new type of gift cards & prepaid cards



※iTunes is Trademark of Apple Inc. registered in USA and other countries



1

Establishing New Business Model

Revolution [Building New Earnings Base]

Development of Mobile-phone Distribution Business in China



<Consumer Segment>

June 29: Opened the Second China Unicom Mobile-phone Shop in Shanghai

Increase the number of shops to **Five** by the end of this year

<Corporate Client Segment>

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.



Launch of “Gift Card Mall” service in major convenience store chain utilizing new type of gift cards & prepaid cards

2

Increasing Depth of Existing Business Model

Deeping [Maximization of Customer Satisfaction]

3のSHINKA

Expansion & Strengthening of Mobile-phone Sales Channel

Acquire 100% Ownership of “TG Miyazaki”

Outline

Acquired all the stock of “TG Miyazaki” that has been newly established by Company Split from Maemura Corp., which operated Six NTT docomo shops in Kyshu Area as of Dec. 1st, 2011

Reference

Financial Results of the business succeeded (From Aug. 1, 2010 to May 31, 2011:
(Unit : million yen) Net Sales 1,257, OP 163, Total Assets 248, Debts 138, Net Assets 109
Acquisition Cost : 1,910 million yen
Impact on TG's Financial Results for the FY ending March 2012 : Slight

3

Further Progress in Mgmt. Base

Evolution [Innovation of Internal Infrastructure]



Set up “Committee to Innovate Sales & Marketing Promotion Structure”

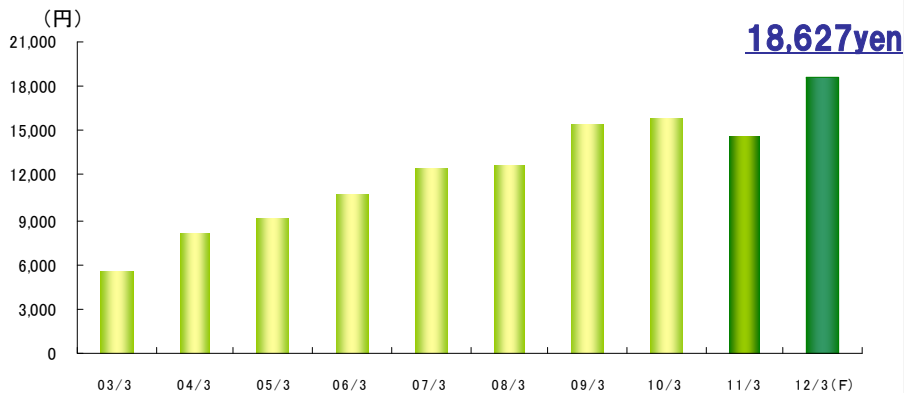
- Promotion of “Customer First” Principle
- Strengthening of Compliance Structure
- Creation of Vibrant & Vigorous Organization

Update Personnel & Accounting System to Improve Operational Efficiency

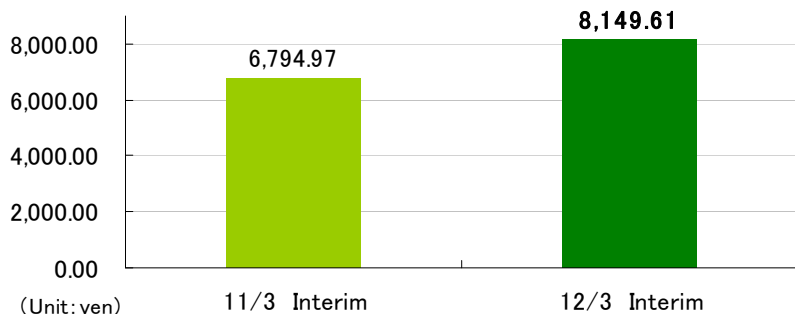
Financial Strategy & Return to Shareholders

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

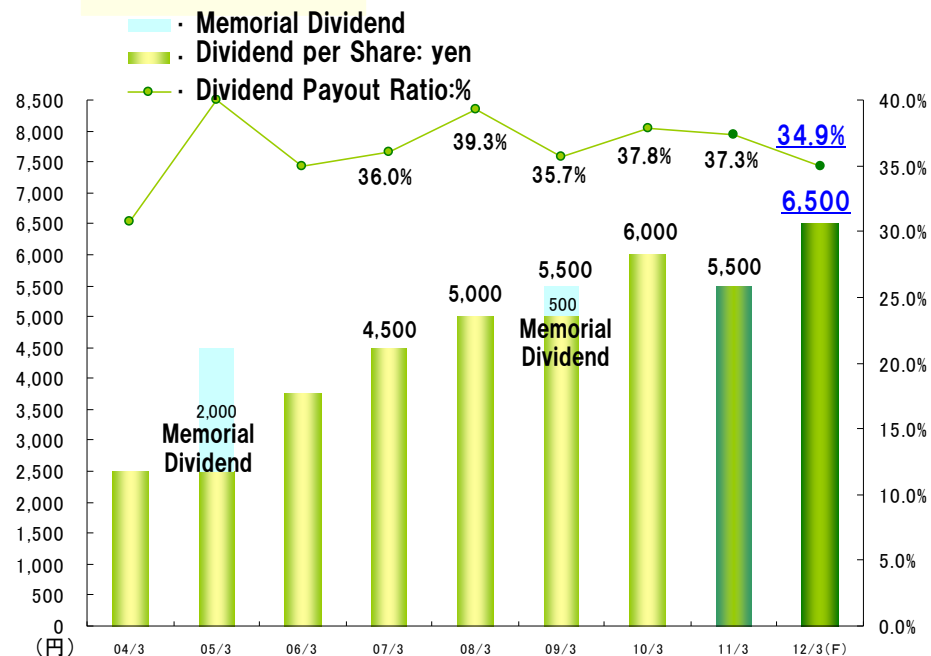
Adjustment Net Income per Share



Net Income per Share



Adjusted Dividend per Share & Payout Ratio



☆ In April 2011

Made TOB for Treasury Stock of 91 thousand shares.

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

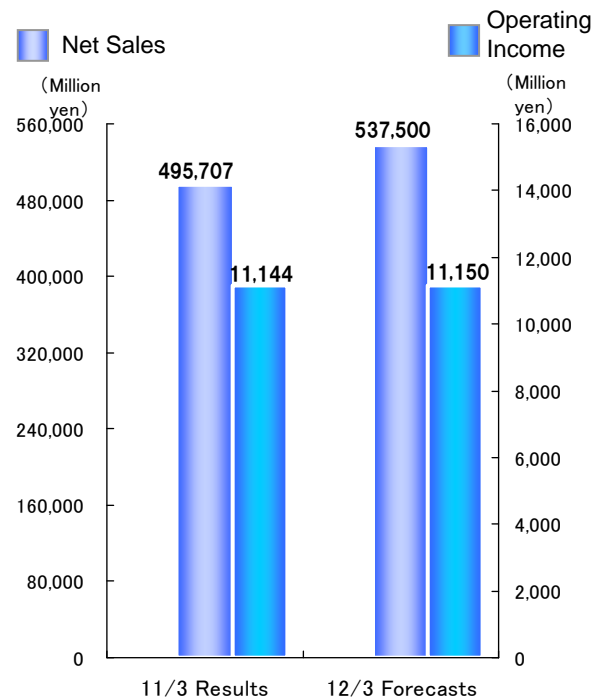
Forecasts for FY ending March 2012

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



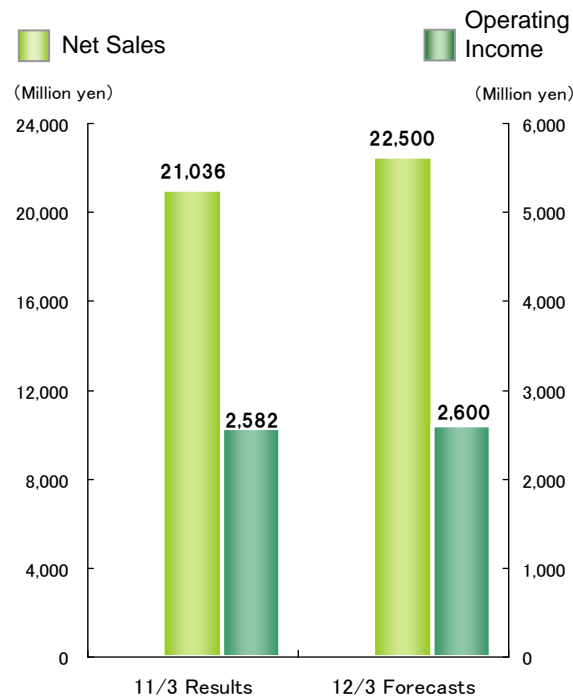
Full-year Forecasts (Mil. yen)

- 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



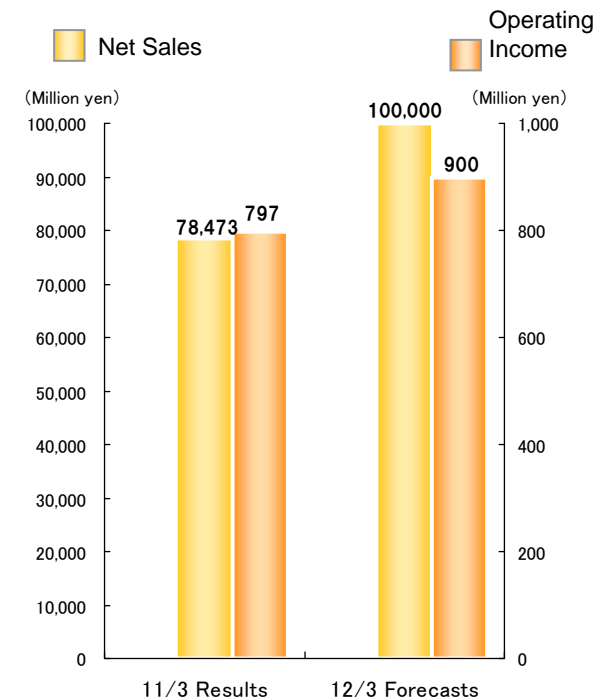
Full-year Forecasts (Mil. yen)

- 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