

Consolidated 1Q Financial Results for FY ending March 2013

August 2012



Mobile Telecommunication Business



Solutions Marketing Business



Settlement Services & Other Business

*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 2013**

Topics on 1Q for FY ending March 2013:

Significant matters concerning TG (T-Gaia) Group

【Change to the Business Segments】

● We have combined the Fixed-line Business segment with business of selling mobile-phones for corporate clients, which was included in the Mobile-phone Business segment until March 2012, and newly set up Solution Business segment. Accordingly, we have made change to our business segments and since the first quarter for FY ending March 2013, we have applied NEW business segments consists of Mobile-phone Business, Solution Business and Settlement Service Business & Others.

【Increase of Consolidated Subsidiaries】

● We began preparing consolidated financial statements from the 3Q of the fiscal year ended March 2012 because we had acquired all the outstanding shares of TG Miyazaki Co., Ltd. as of Dec. 1, 2011, and made it a consolidated subsidiary. In addition to that, we have also made both T-Gaia Shanghai and TG Contract our consolidated subsidiaries as they became more important to us. However, the financial impact from the change was slight, non-consolidated 1Q financial results for FY ended March 2012 are used to compare with those for FY ending March 2013 for reference information.

【Acquisition & Cancellation of Treasury Stock】

- We acquired Treasury Stock of 26,985 shares using the “ToSTNeT-3” system as of May 17, 2012.
- In order to improve capital efficiency and increase the shareholder value, we canceled Treasury Stock of 117,985 shares in total (both 91,000 shares and 26,985 shares respectively) as of May 31, 2012. As a result, the total number of outstanding shares became 394,434.

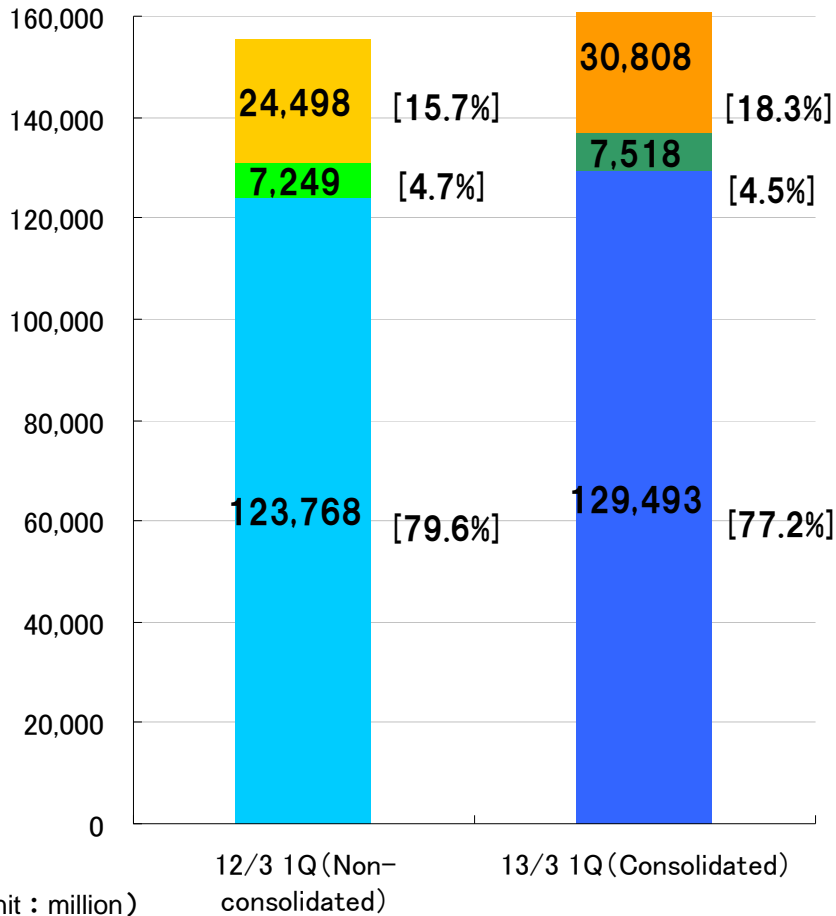
Outline of 1Q Financial Results for FY ending March 2013

(Unit : million yen)	12/3 1Q Results (Non- Consolidated)	13/3 1Q Results (Consolidated)	YoY Change (%)	13/3 1H Forecasts (Consolidated)	1H Achievement Ratio (%)	13/3 Full-year Forecasts (Consolidated)	Full-year Achievement Ratio (%)
Net Sales	155,516	167,821	107.9%	365,500	45.9%	760,000	22.1%
Gross Margin (to Net Sales)	14,754 (9.5%)	15,752 (9.4%)	106.8%	32,700 (8.9%)	48.2%	69,000 (9.1%)	22.8%
SGA Expenses	11,733	13,758	117.3%	26,250	52.4%	53,700	25.6%
Operating Income (to Net Sales)	3,021 (1.9%)	1,993 (1.2%)	66.0%	6,450 (1.8%)	30.9%	15,300 (2.0%)	13.0%
Ordinary Income (to Net Sales)	3,005 (1.9%)	1,955 (1.2%)	65.0%	6,350 (1.7%)	30.8%	15,000 (2.0%)	13.0%
Net Income (to Net Sales)	1,630 (1.0%)	1,043 (0.6%)	64.0%	3,550 (1.0%)	29.4%	8,600 (1.1%)	12.1%

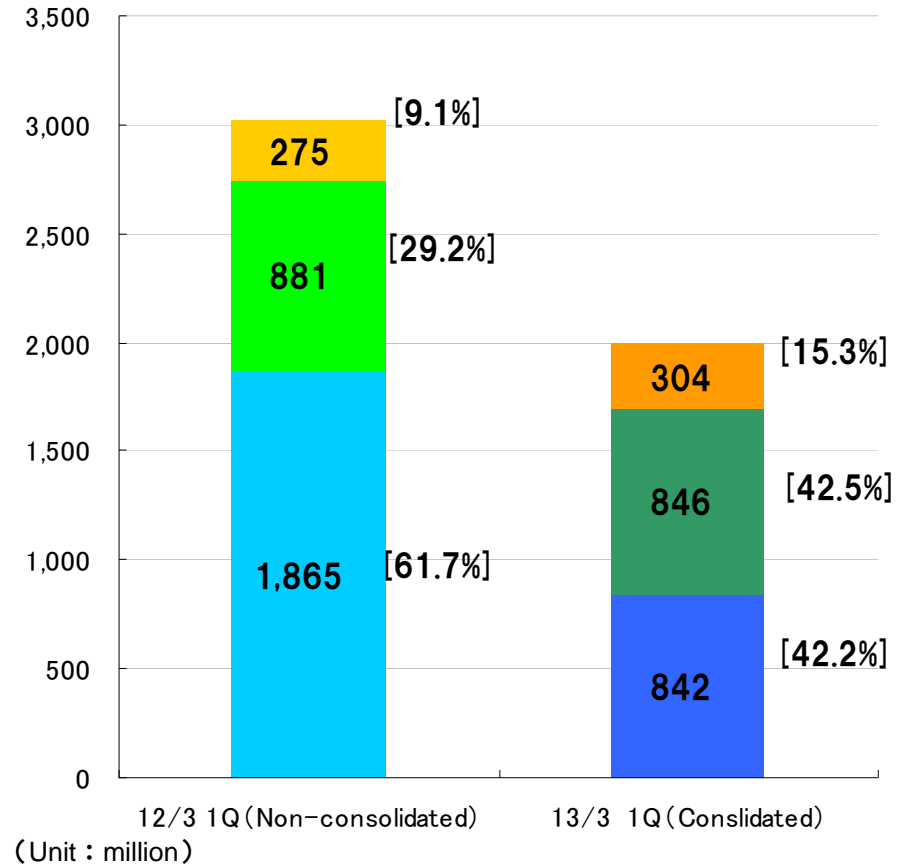
2013/3 1Q Financial Results by “New” Business Segment

- Settlement Services & Others
- Solution Business
- Mobile Business

Net Sales



Operating Income

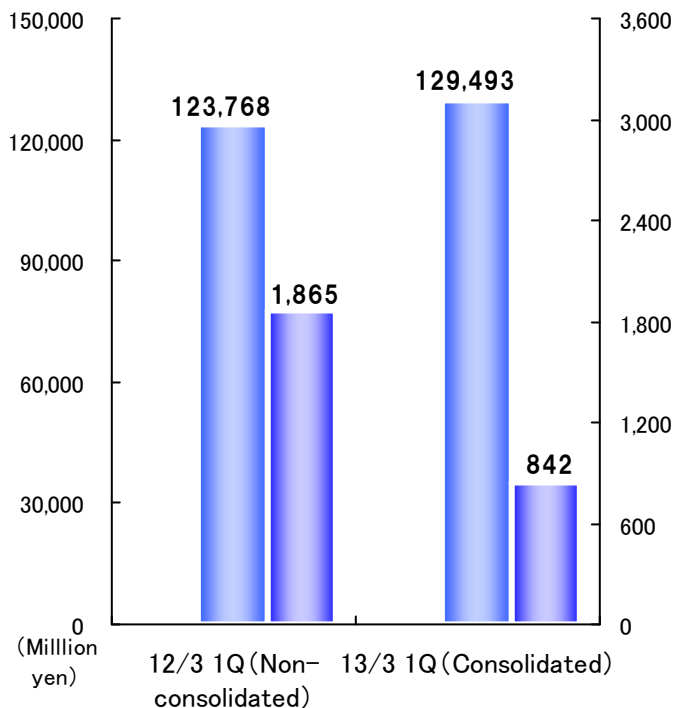


Financial Results (Unit: million yen)

Net Sales :129,493 Operating Income: 842

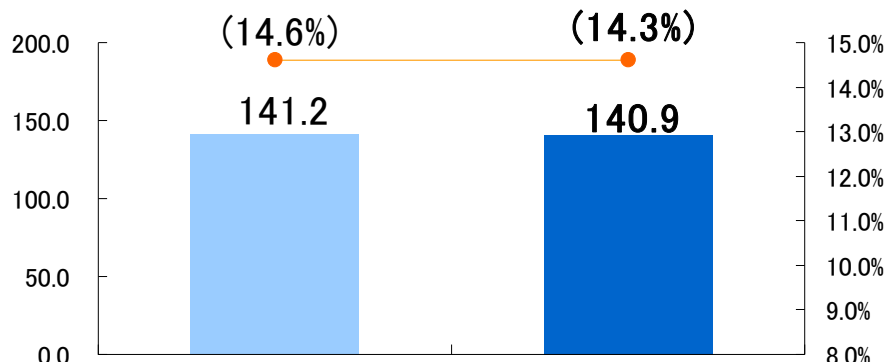
• Although total No. of handsets sold was similar to that in 1Q for the previous FY, income has decreased due to increase of workload at our mobile-phone shops, selling expenses in our sales channel such as large retail stores, and shop renovation cost as the composition ratio of Smart-phones has risen.

Net Sales **Operating Income**



Total No. of Handsets sold & TG's Market Share

● Market share (inc. Solution Business Segment)
■ No. of Postpaid Handsets sold (to consumers)

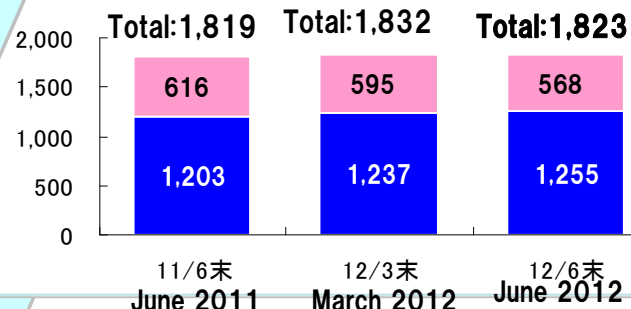


(Unit: 10 thousand)

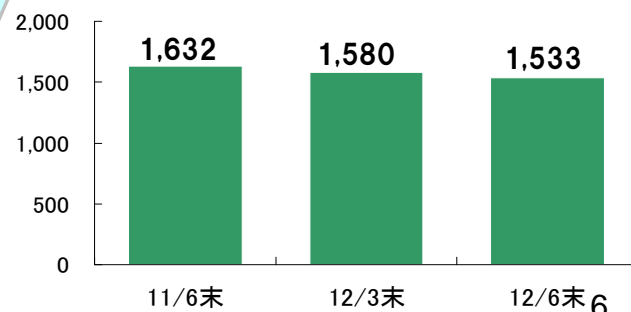
※In addition to those figures, we sold 35 thousand of postpaid handsets to corporate clients in Solution Business Segment. Therefore, the No. of those sold in 1Q by the whole TG group totaled to 1.444 million units.

Carrier Shops & Multi Carrier Shops of TG Group in Japan

■ Multi Carrier Shops
■ Carrier Shops



Shops in Large Retail Stores & GMS



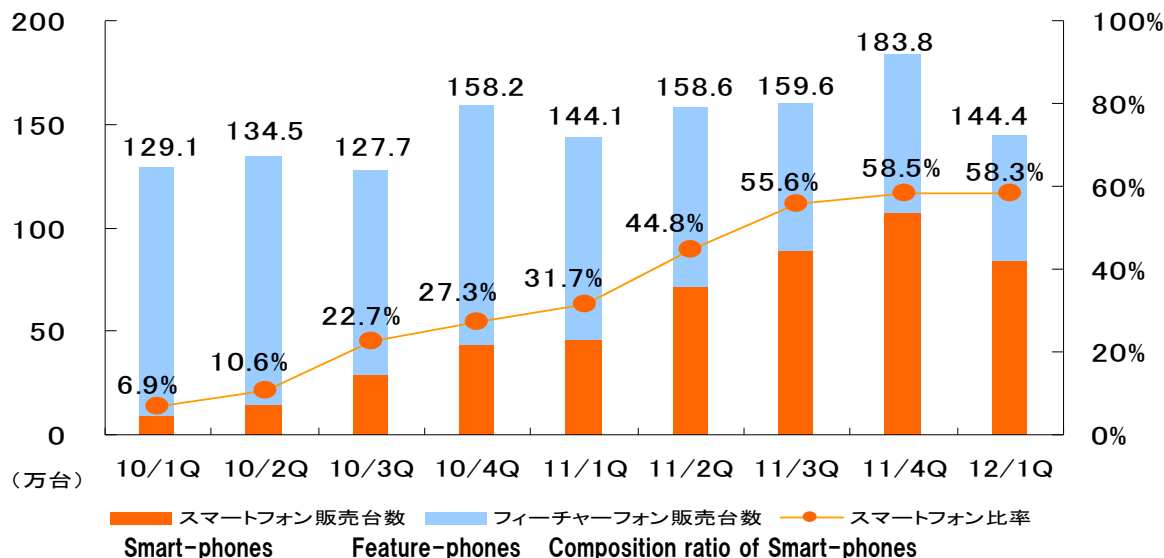
- Strengthened Directly-managed Carrier Shops by Implementing New Construction, Relocation & Renewal.
- Promoted Increase of Sales Force & Improvement of Operational Efficiency on a Company-wide basis by new establishment of “Business Promotion Division”

☆ In addition to Smart-phones, Expanded Sales of Accessory & Other Products related to Smart-phones

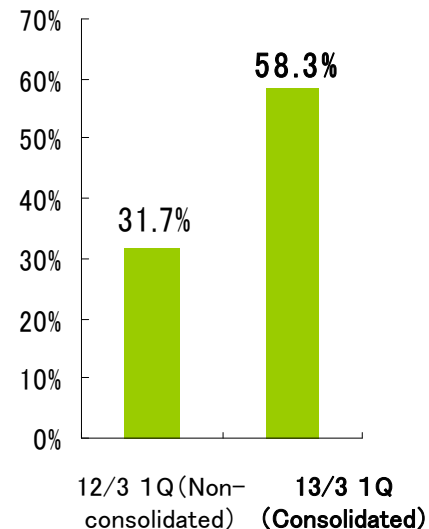
☆ Opened “TG Academy” as our educational & training institution in order to develop human resources and build up skill of all sales staff by enhancing education as well as training

☆ Improved operational efficiency in clearing & logistics and by supporting sales activities in the front of shops through the enhanced internal back-up structure

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



【Composition Ratio of Smart-phones for T-Gaia in FY ended March 2012】



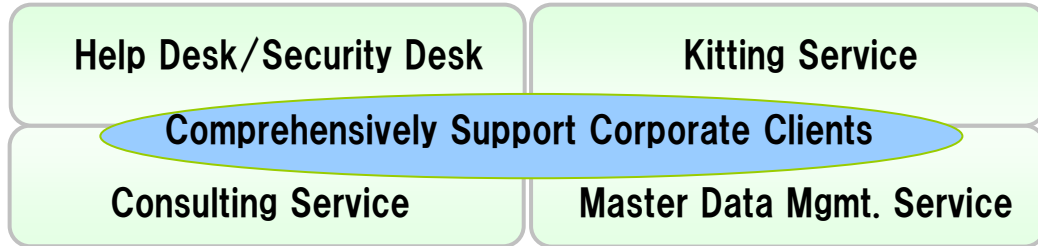
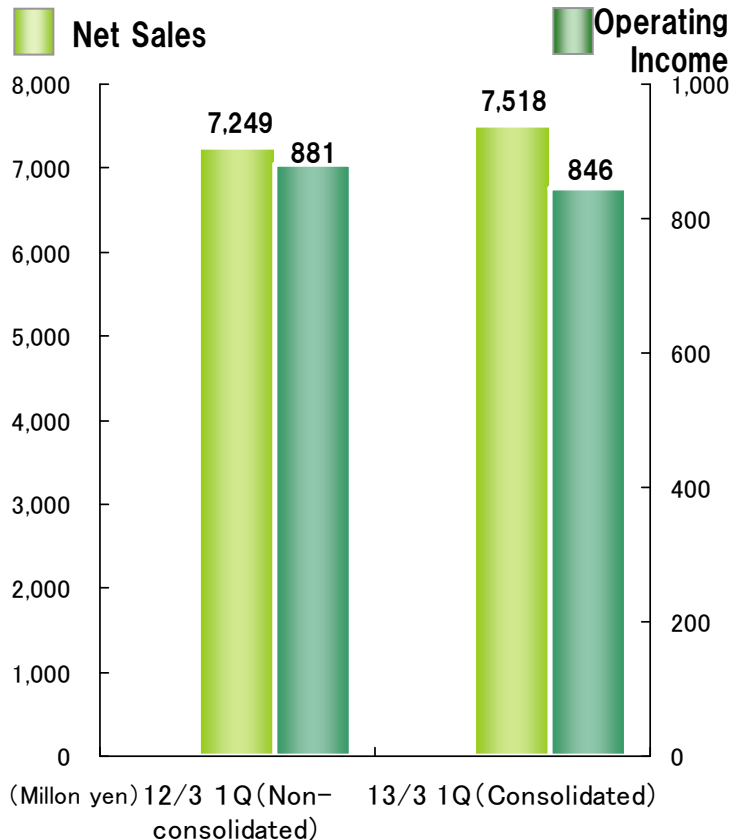
Financial Results (Unit: million yen)

Business Strategy

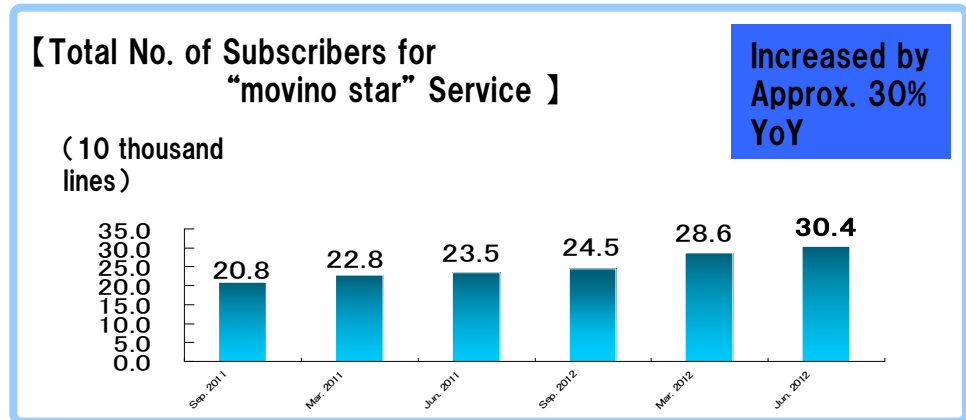
Net Sales : 7,518 Operating Income: 846

- Corporate Marketing: In addition to sale of mobile-phones & Tablets, acquisition of various solution services recorded good performance.
- Ex-Fixed Income Business: FTTH (Fiber to the Home) service was selling well while new subscribers of "Mylene" service drastically decreased.

- Retained Corporate Clients Utilizing Mobile-phone Info. Mgmt. Service "movino star" and Other Original Solutions
 - ☆No. of Handsets sold: 35 thousand units (Increased by 22% YoY)
- Provided Corporate Clients with Solution Service to Promote Introduction of Smart-phones / Tablets utilizing Comprehensive Solution Package of "T-GAIA SMART Support"



- Strengthened Alliance with Solution Partners
- Strengthened Sale of FTTH & Related Products such as ISPs

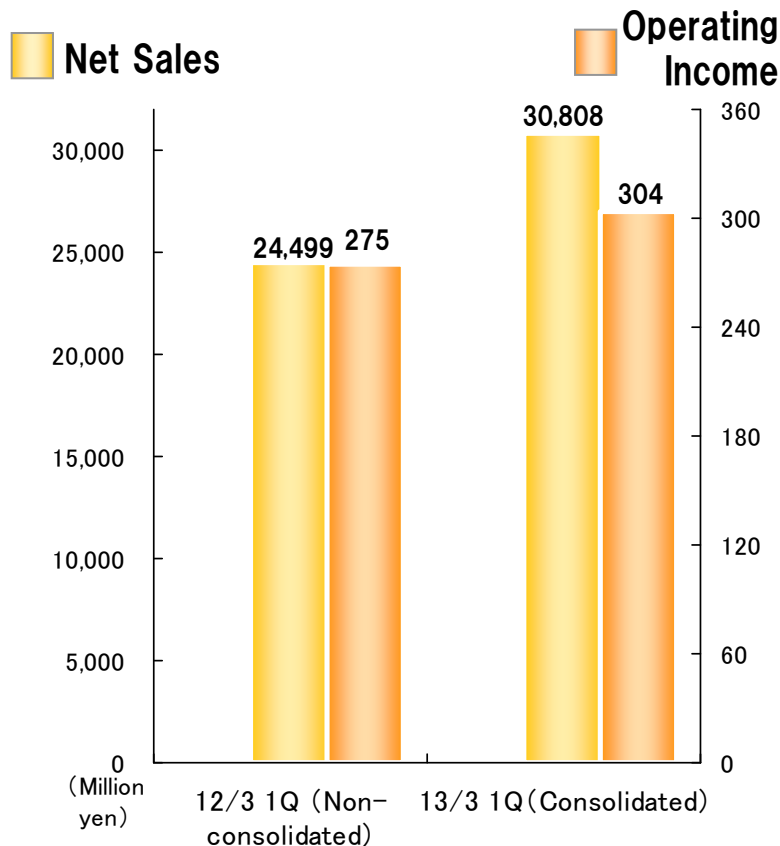


Financial Results (Unit: million yen)

Net Sales : 30,808 Operating Income: 304

•Despite of the slight impact from self-regulation in the SNS game industry, both net sales & operating income increased due to the growth of products related to e-money and our own sales channel.

•Gift cards have gradually grown as our new products.



Business Strategy

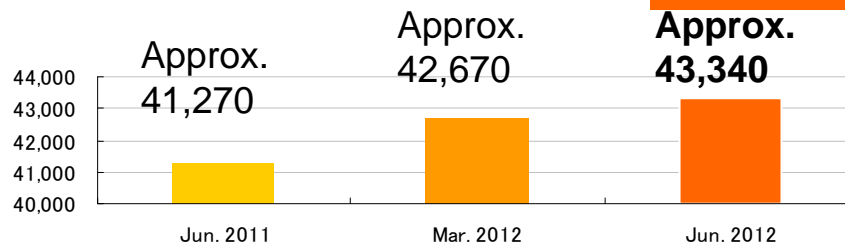
● Settlement amount for Online Shopping & Purchase of Contents for SNS (Social Network Service) Games has continuously increased

● Launched “Gift Card Business” utilizing new type of gift cards & prepaid cards in major convenience store chain and has been diversifying product line inc. “GREE Prepaid Card”.

※GREE is registered trademark of GREE, Inc.

[No. of convenience stores dealing PIN]

5% Increase from the previous year



【Mobile-phone Distribution Business in China: Shanghai】

Marketing for Consumers

Opened Five more China Unicom Mobile-phone Shops in Shanghai in 2012 and establish the sales structure with Ten Shops in total



Sixth China Unicom Shop opened in July 2012

Marketing for Corporate Clients

Promote sales and marketing activities continuously for Japanese companies mainly targeting the group companies of major Japanese trading firms to be entrusted with mobile-phone mgmt. service

**Forecasts for FY ending March 2013
& Future Development**

Consolidated Forecasts for FY ending March 2013

(Unit : million)	12/3 Full-year Results	13/3 Full-year Forecasts	Change of Amount	Year-on-Year basis (%)
Net Sales	712,683	760,000	47,317	106.6%
Grosss Margin	65,823	69,000	3,177	104.8%
SGA Expenses	50,950	53,700	2,750	105.4%
Operating Income	14,873	15,300	427	102.9%
Orginary Income	14,843	15,000	157	101.1%
Net Income	7,933	8,600	667	108.4%
Net Income/Share (yen) [※]	18,551.22	21,617.00	3,065.78	116.5%
Dividend /Share (yen) [※] (Payout Ratio)	6,500.00 (35.0%)	7,000.00 (32.4%)	500	107.7%

※:Net Income/Share and Dividend/Share Forecasts for FY ending March 2013 have been calculated based on the No. of shares outstanding without reflecting the 200-for-1 Stock Split (pre-split basis) that will be conducted with the effective date of October 1, 2012. And Treasury stock of both 91,000 shares and 26,985 shares have been deducted from the No. of outstanding shares.

Consolidated Forecasts for FY ending March 2013 by NEW Segment

We have combined the Fixed-line Business segment with business of selling mobile-phones for corporate clients, which was included in the Mobile-phone Business segment until March 2012, and newly set up Solution Business segment. Accordingly, we have made change to our business segments and since the first quarter for FY ending March 2013, we have applied NEW business segments consists of Mobile-phone Business, Solution Business and Settlement Service Business & Others. Please note that financial results by segment for FY ended March 2012 below have been re-calculated based on the NEW business segments.

Former segments until FY ended March 2012

(Unit: million yen)		2012/3 Actual Results
		Amount
Mobile-phone Business	Net Sales	575,738
	Operating Income	11,147
Fixed-line Business	Net Sales	19,765
	Operating Income	2,441
Prepaid Settlement Service & Others	Net Sales	117,180
	Operating Income	1,284
Total	Net Sales	712,683
	Operating Income	14,873

NEW segments from FY ending March 2013

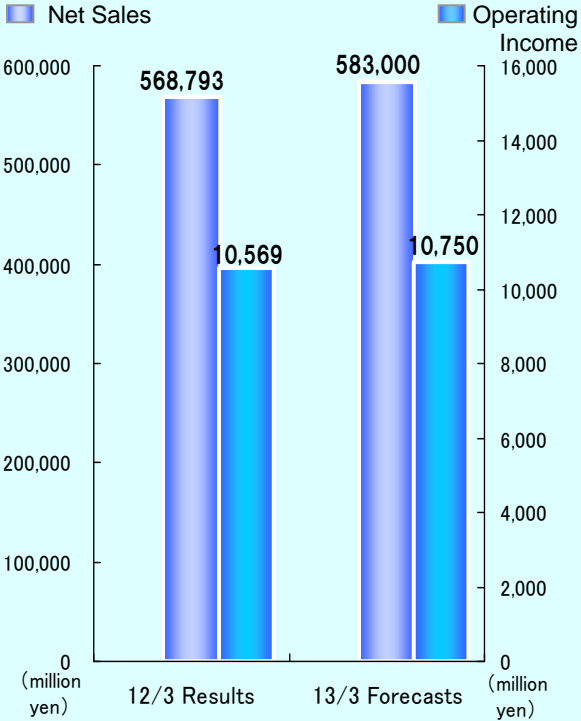
(Unit: million yen)		2012/3 Re-calculated Results	2013/3 Forecasts	
		Amount	Amount	YoY basis (%)
Mobile-phone Business	Net Sales	568,793	583,000	102.5%
	Operating Income	10,569	10,750	101.7%
Solution Business	Net Sales	26,902	30,000	111.5%
	Operating Income	3,054	3,200	104.8%
Settlement Service Business & Others	Net Sales	116,987	147,000	125.7%
	Operating Income	1,249	1,350	108.1%
Total	Net Sales	712,683	760,000	106.6%
	Operating Income	14,873	15,300	102.9%

Consolidated Full-year Forecasts for FY ending March 2013

Mobile-phone Business

(Unit: million yen)

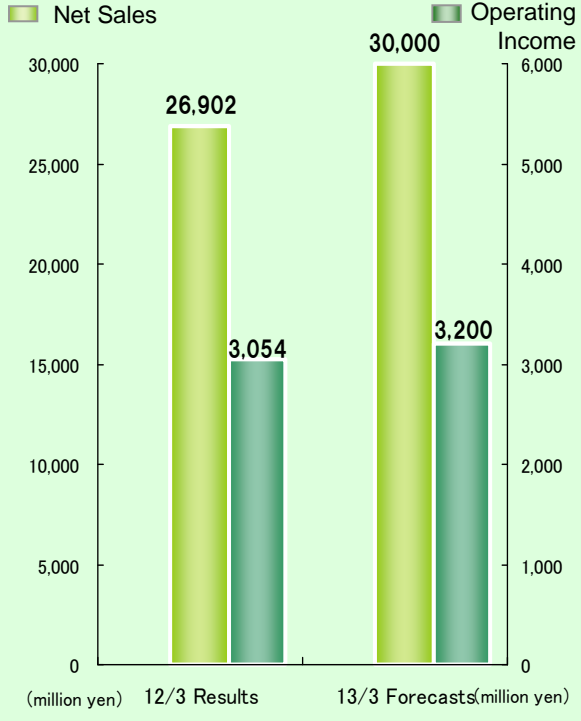
- Net Sales **583,000**
- Operating Income **10,750**
- No. of handsets
6.60 million units



Solution Business

(Unit: million yen)

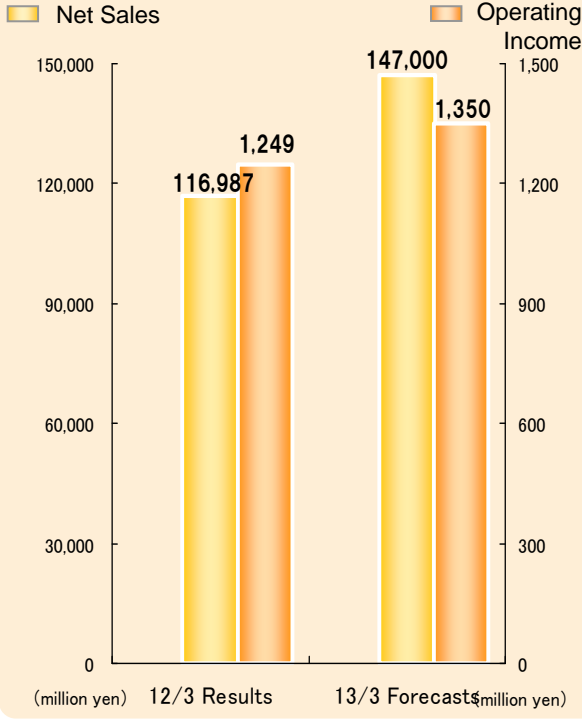
- Net Sales **30,000**
- Operating Income **3,200**
- No. of handsets
0.15 million units



Settlement Services & Others

(Unit: million yen)

- Net Sales **147,000**
- Operating Income **1,350**



Capital Policy & Return to Shareholders

Stock Split and Adoption of Share Trading Unit System

We plan to conduct the 200-for-1 Stock Split with the base date of Sep. 30 and effective date of Oct. 1, 2012. Moreover, we will adopt the Share Trading Unit System at the same time. The objectives of stock Split are to increase the liquidity of T-Gaia's stock and broaden our investors base by reducing the price of one investment unit, as well as to adopt the Share Trading Unit System in which each share of common stock will be split into 200 shares and the stock will be trade in 100-share units.

Acquisition and Cancelation of Treasury Stock

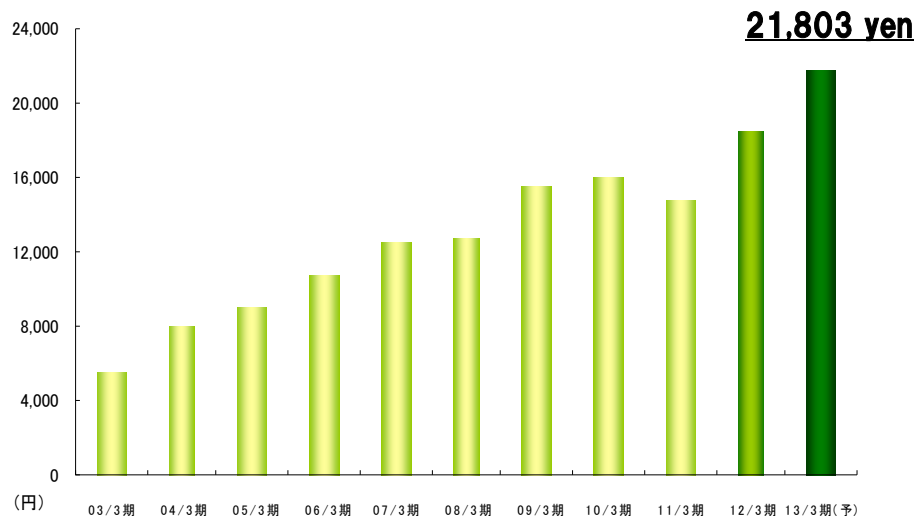
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[Dividend Policy]

We have been targeting Dividend Payout Ratio over 30% Level based on our Dividend Policy to return to our shareholders in consideration of our financial performance while securing internal reserve necessary for our future business development as well as strengthening of the management base.

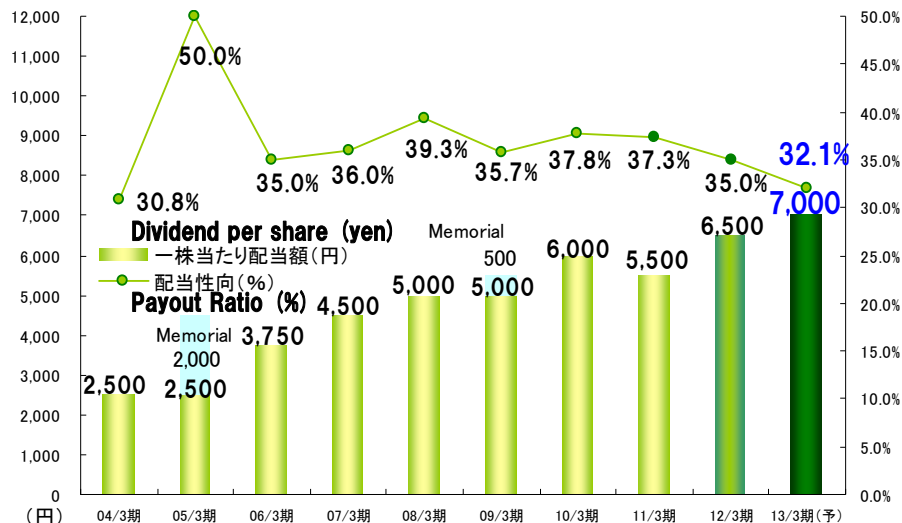
Annual Dividend/Share for FY ending March 2013 (Forecast) : **7,000 yen (Pre-split basis)**
 ※Increase by 500 yen/Share from 6,500 yen in the previous year

Net Income per Share (Pre-split basis)



※ Amount for 2013/3 (Forecast) is calculated reflecting acquisition and cancelation of Treasury Stock

Dividend per Share & Payout Ratio (Pre-split basis)



※Dividend Payout Ratio for 2013/3 (Forecast) is calculated based on the No. of shares outstanding after cancelation of Treasury Stock

Management Strategy for Future Growth

Proactively Advancing Three-directional Effort, named “SHINKA” meaning “Revolution”, “Deepening” & Evolution in Japanese Pronunciation, For Further Business Growth over the Medium & Long Term

1

Establishing New Business Model

Renovation

Establishment of New Business Platform

- Proactively engaging in new business fields centralized on solution services using devices & applications diversifying into new business areas
- Entering overseas markets and launching foreign business initiatives focusing on operations in China

2

Increasing Depth of Existing Business Model

Deepening

Maximization of Customer Satisfaction

- Increasing & strengthening sales networks and enhancing quality of sales
- Developing new merchandize resources and providing services with high added value

3

Further Progress in Management Base

Evolution

Innovation of Internal Infrastructure

- Promoting development of human resources capable of dealing with new business models & global initiatives
- Creating internal framework that cultivates spirit of challenge
- Creating & introducing next version of newly upgraded main systems