

Consolidate Financial Results for FY ending March 2014

August 9, 2013



Mobile Telecommunication
Business



Solutions Marketing
Business



Settlement Services &
Other Business

Disclaimer

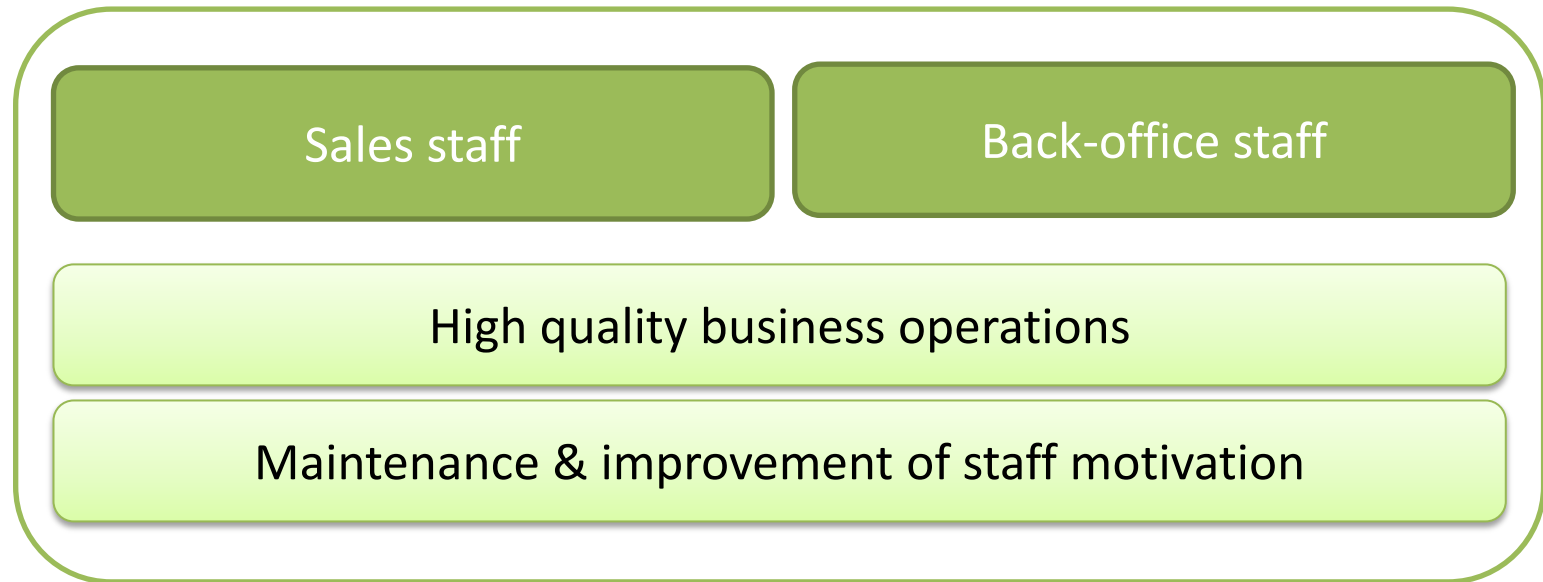
*This material contains statements about the future performance of T-Gaia, which are based on management's assumptions and beliefs taking information currently available into consideration. Therefore, please be advised that T-Gaia's actual results could differ materially from those described in these 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.

“Realization of Smart-phone World” through
“Strengthening of Hand-on Approach”

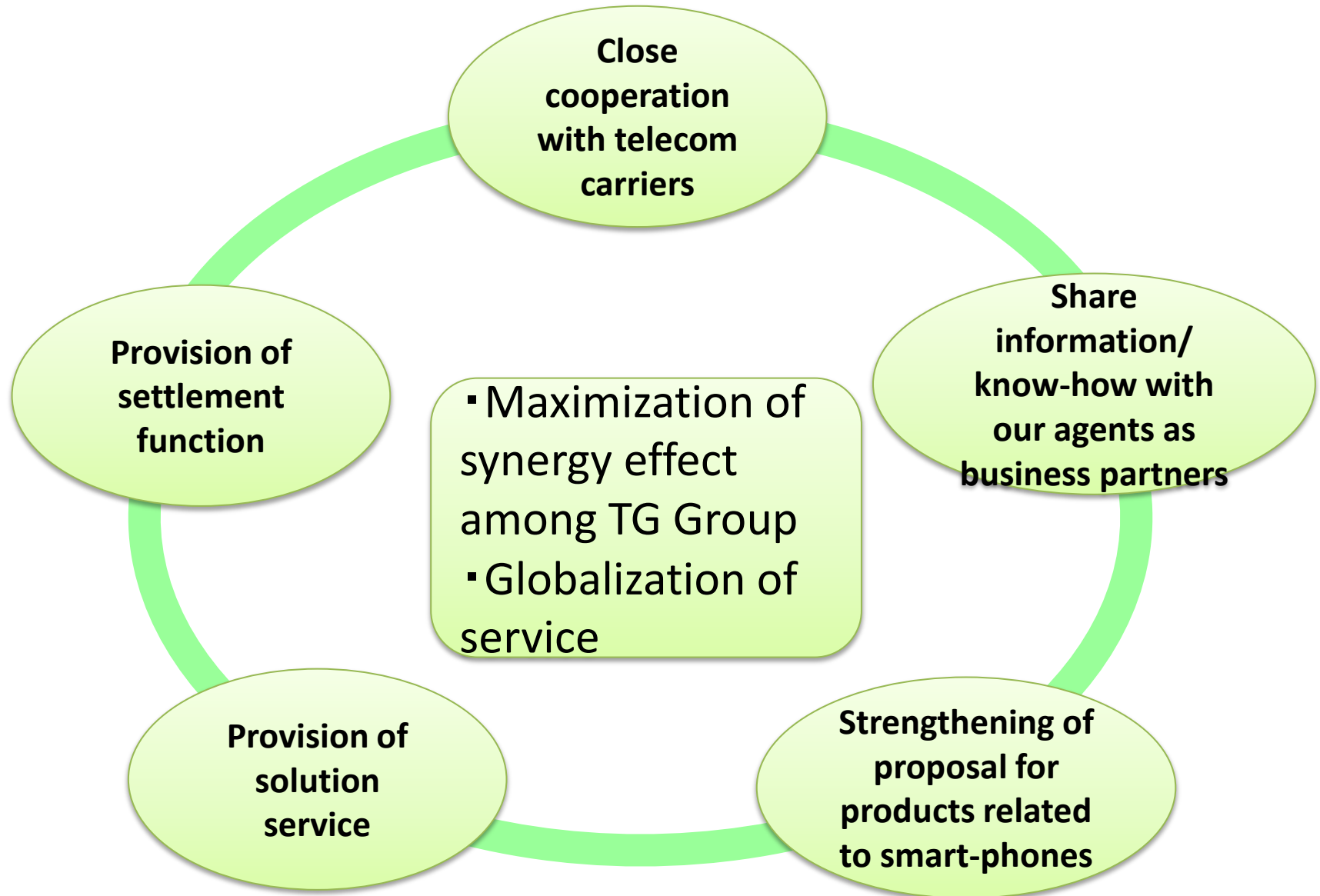
Strengthening of Hand-on Approach

Further improvement of Customer Satisfaction

**Promotion of business restructuring
with Hands-on Approach**



For providing better Smart-phone life with customers



Corporate Action Plan

For providing better Smart-phone life with customers

- Promotion of move, renovation & growth in size of mobile carrier shops
⇒ in order to respond to customers' needs for smart-phones effectively
- Proposal for attractive products & services related to smart-phones
⇒ Expansion of lineup of contents & accessories for smart-phones
⇒ Cooperation with “Smart Labo” accessory shops for smart-phones

Strengthening of Hand-on Approach

- Business restructuring with Hand-on Approach
⇒ Promotion of efficiency through business restructuring & intensification
- Strengthening of effective sales strategy & profit management
- Improvement of profitability by optimization of sales channels
- Continuous strengthening of education & training system and sales force
utilizing the internal education & training institution “TG Academy”
- Promotion of work-life balance of employees

Outline of 1Q Financial Results for FY ending March 2014

Key points of 1Q Financial Results

Net Sales : 168.7 billion yen (YoY 100.6%)

Operating Income: 3.54 billion yen (YoY 177.6%)

Increases both in sales & income contributed to the positive results

☆ Main factors for the results

- Increase of sales volume of smart-phones & rise in smart-phone ratio
- Strengthening of sales for products & services related to smart-phones
- Effect from optimization of sales channel, which we have conducted from the previous fiscal year

Summary of 1Q Financial Results

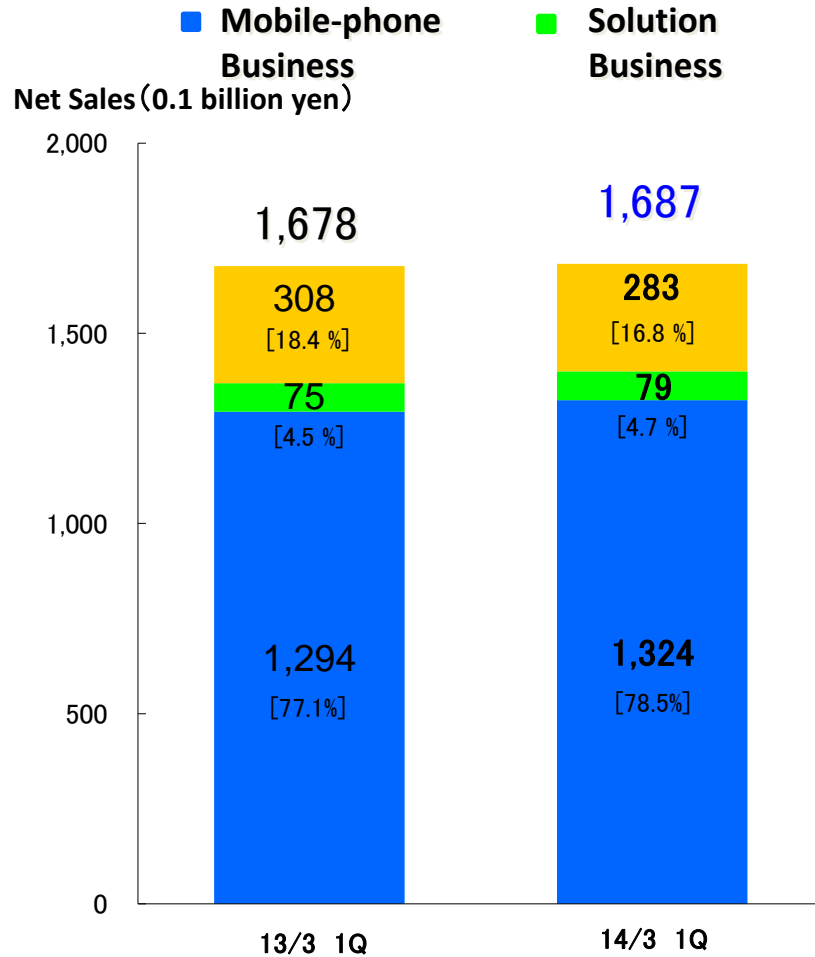
(Unit: 0.1 billion yen)	13/3 1Q Results	14/3 1Q Results	Increase or decrease	YoY change
Net Sales	1,678.2	1,687.8	9.6	100.6%
Gross Margin	157.5	155.9	▲ 1.5	99.0%
(to Net Sales)	9.4%	9.1%		
SGA Expenses	137.6	120.5	▲ 17.0	87.6%
Operating Income	19.9	35.4	15.4	177.6%
(to Net Sales)	1.2%	2.1%		
Ordinary Income	19.5	35.2	15.6	180.2%
(to Net Sales)	1.2%	2.1%		
Net Income	10.4	20.0	9.5	191.7%
(to Net Sales)	0.6%	1.2%		

1Q Financial Results & Achievement Ratio

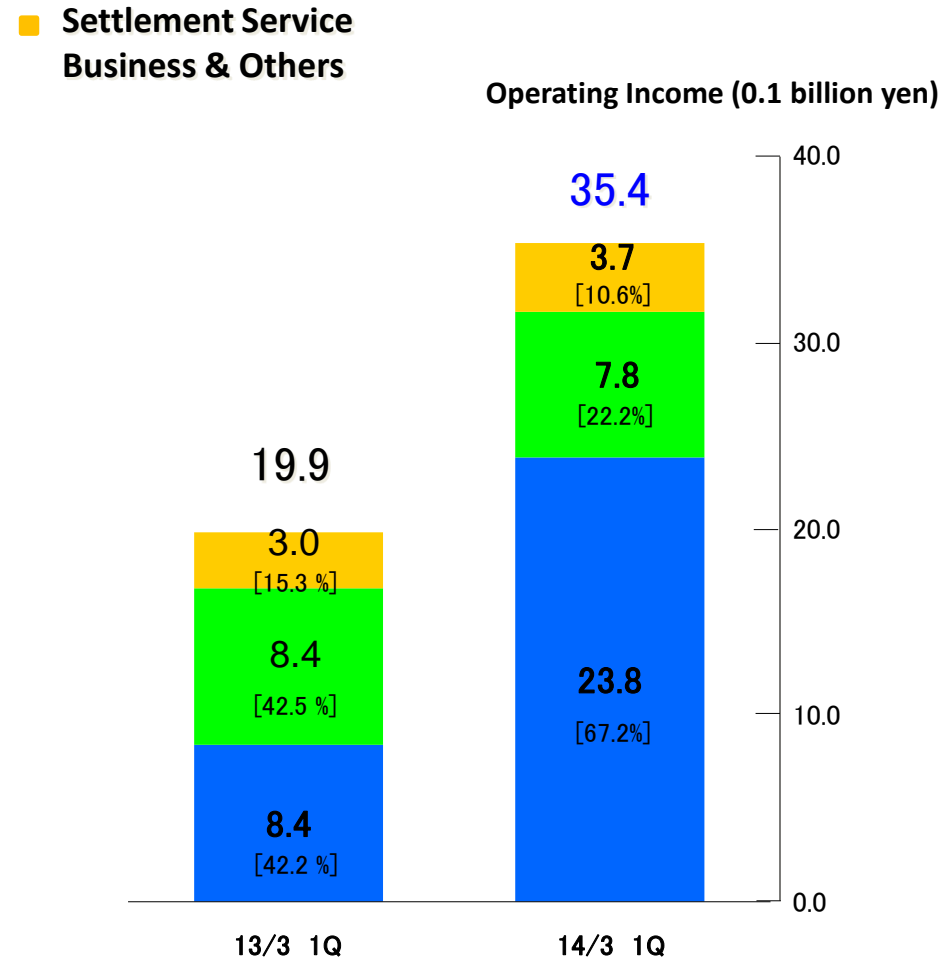
(Unit: 0.1 billion yen)	14/3 1Q Results	14/3 1H Forecasts	1H Achievement Ratio	14/3 Full-year Forecasts	Full-year Achievement Ratio
Net Sales	1,687.8	3,400.0	49.6%	7,250.0	23.3%
Gross Margin	155.9	326.0	47.8%	676.0	23.1%
(to Net Sales)	9.2%	9.6%		9.3%	
SGA Expenses	120.5	260.0	46.4%	535.0	22.5%
Operating Income	35.4	65.0	54.5%	141.0	25.1%
(to Net Sales)	2.1%	1.9%		1.9%	
Ordinary Income	35.2	63.0	55.9%	138.0	25.5%
(to Net Sales)	2.1%	1.9%		1.9%	
Net Income	20.0	35.0	57.2%	77.5	25.8%
(to Net Sales)	1.2%	1.0%		1.1%	

1Q Financial Results by Business Segment

Net Sales



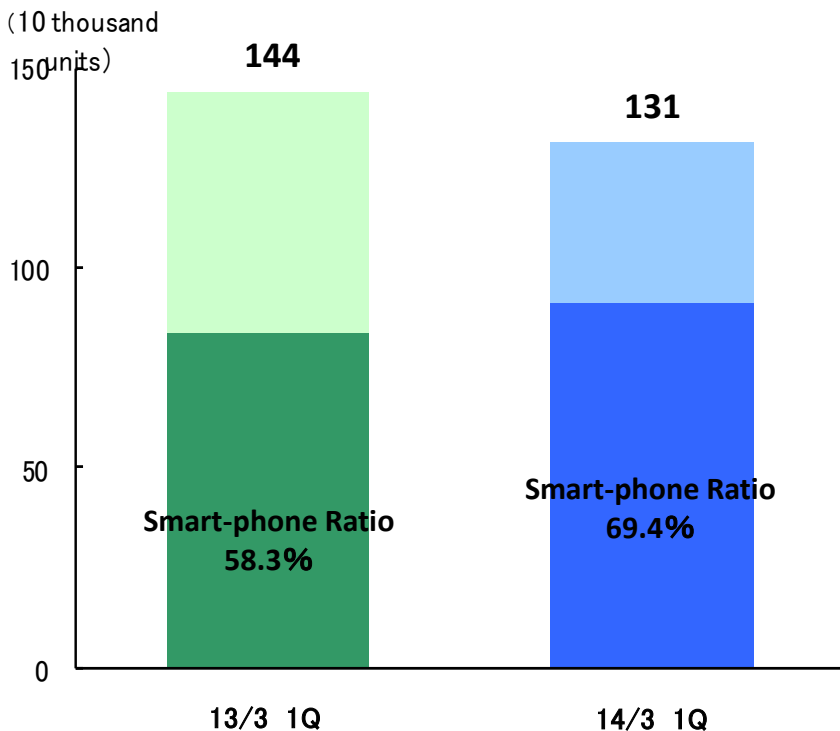
Operating Income



Total No. of Mobile-phones Sold Company-wide

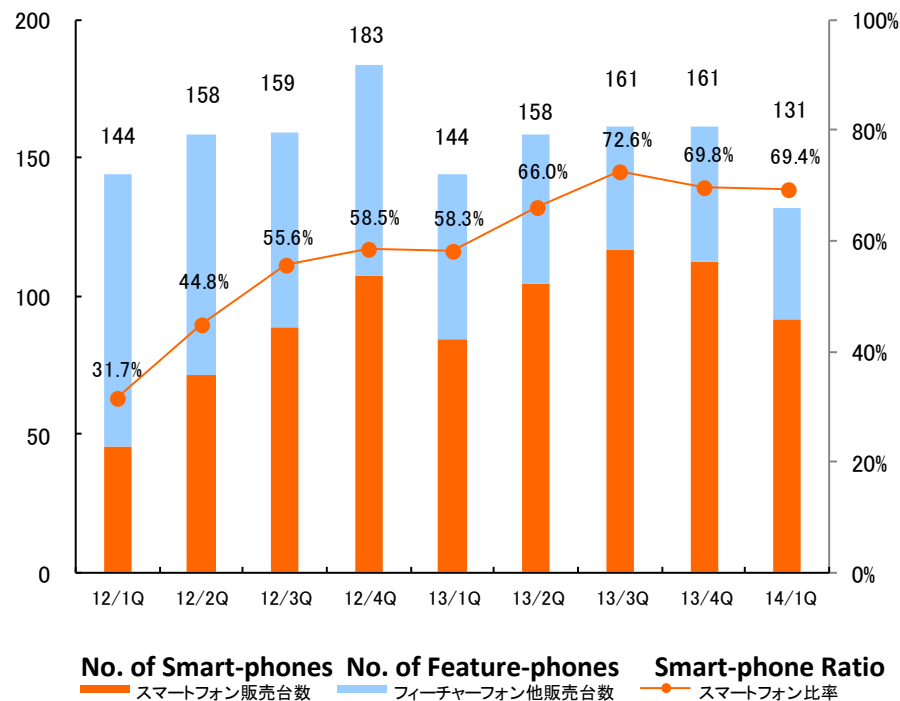
Total No. of Mobile-phones, etc. Sold in 1Q

※Including Wi-Fi models



Total No. of Mobile-phones of Three Main Telecom Carriers Sold Company-wide & Smart-phone Ratio on a Quarterly basis

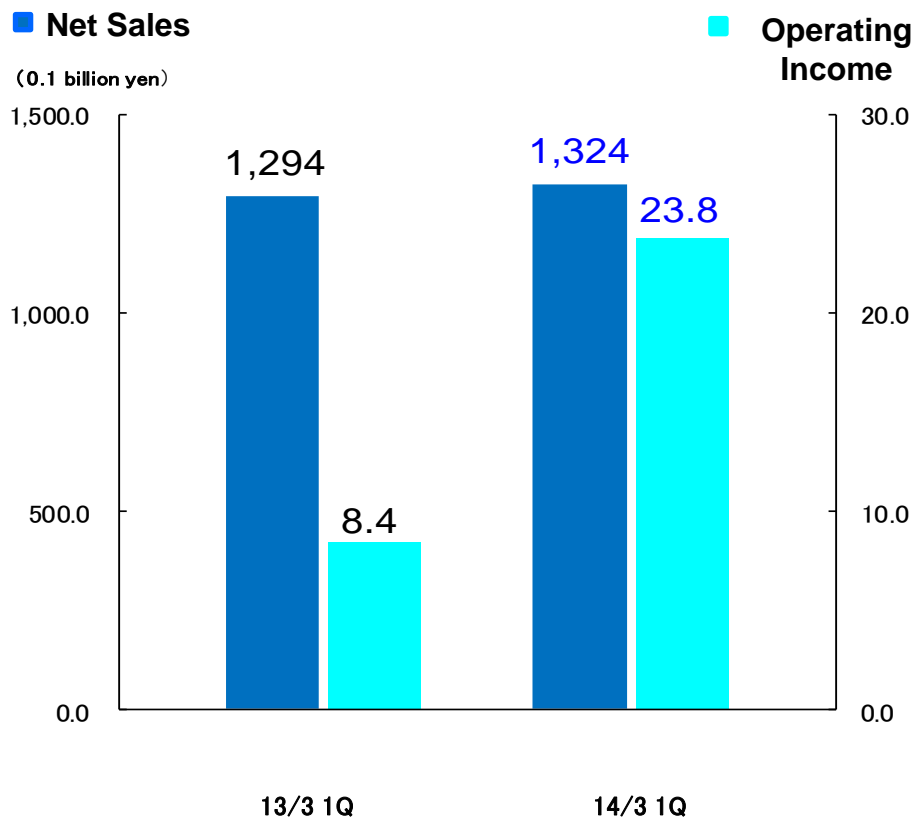
(10 thousand units)



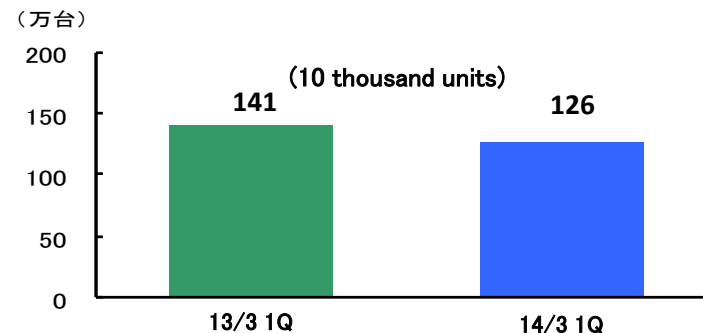
- Smart-phone Ratio has risen from under 60% in 1Q of previous fiscal year to 70%.
- Sales volume decreased mainly due to optimization of sales channels.

Mobile-phone Business

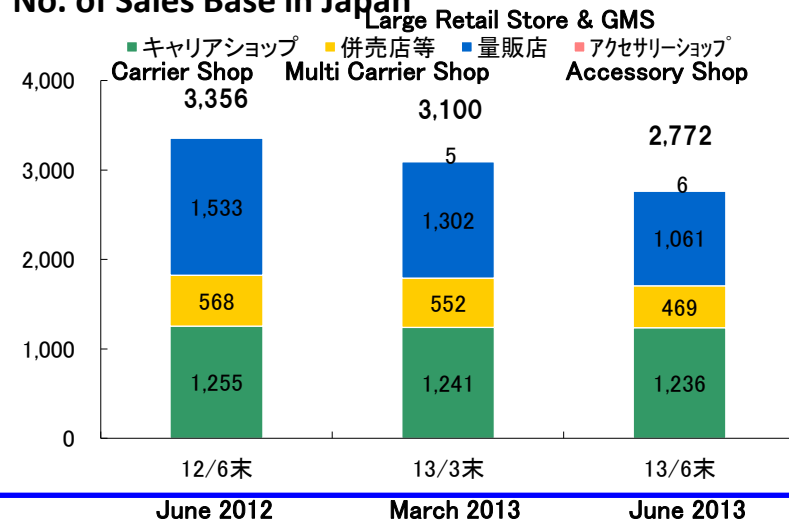
Financial Results Comparison



Total No. of Mobile-phones Sold in the Segment



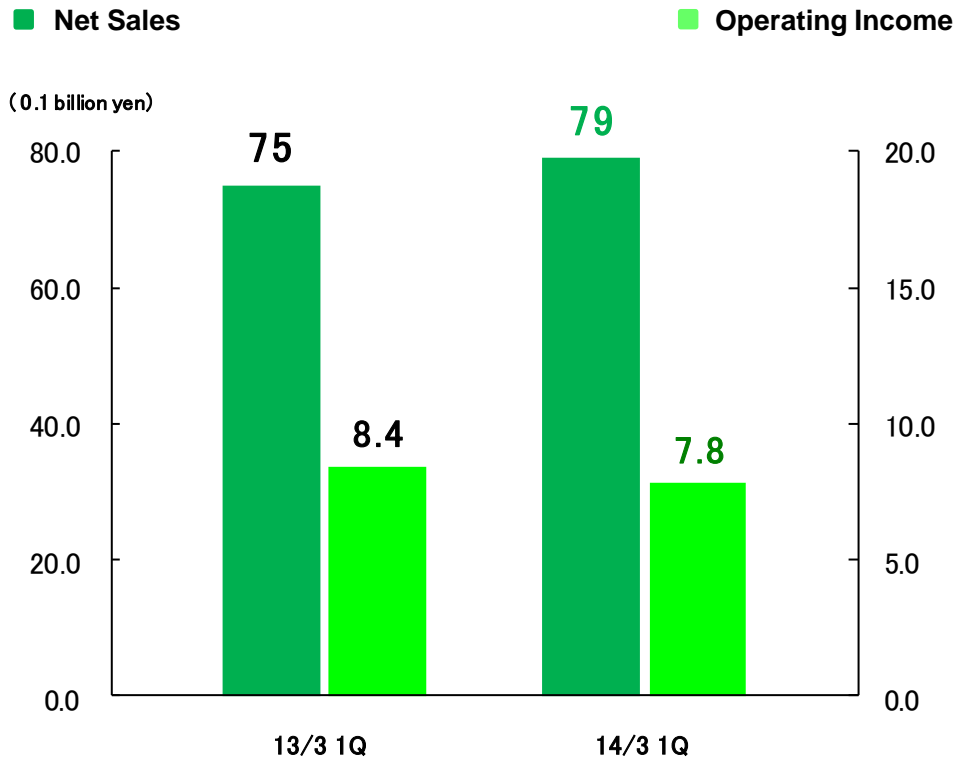
No. of Sales Base in Japan



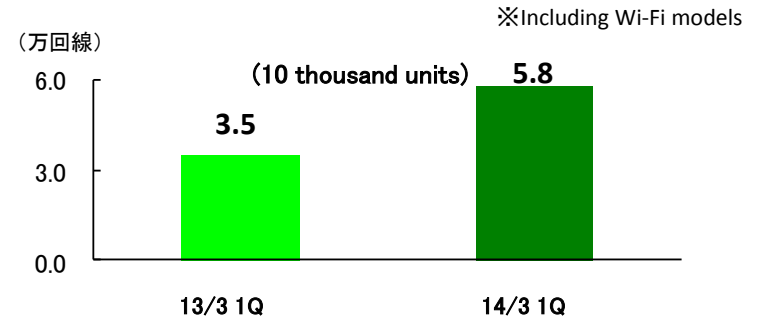
- Net sales increased mainly due to increase of sales volume of Smart-phones as well as smart-phone related products through development of smart-phone accessory shops.
- Operating income increased chiefly because of optimization of sales channels & promotion of cost reduction.

Solution Business

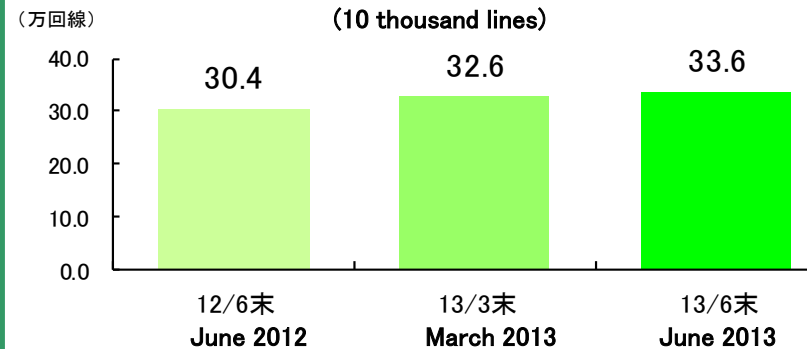
Financial Results Comparison



Total No. of Mobile-phones, etc. Sold in the Segment



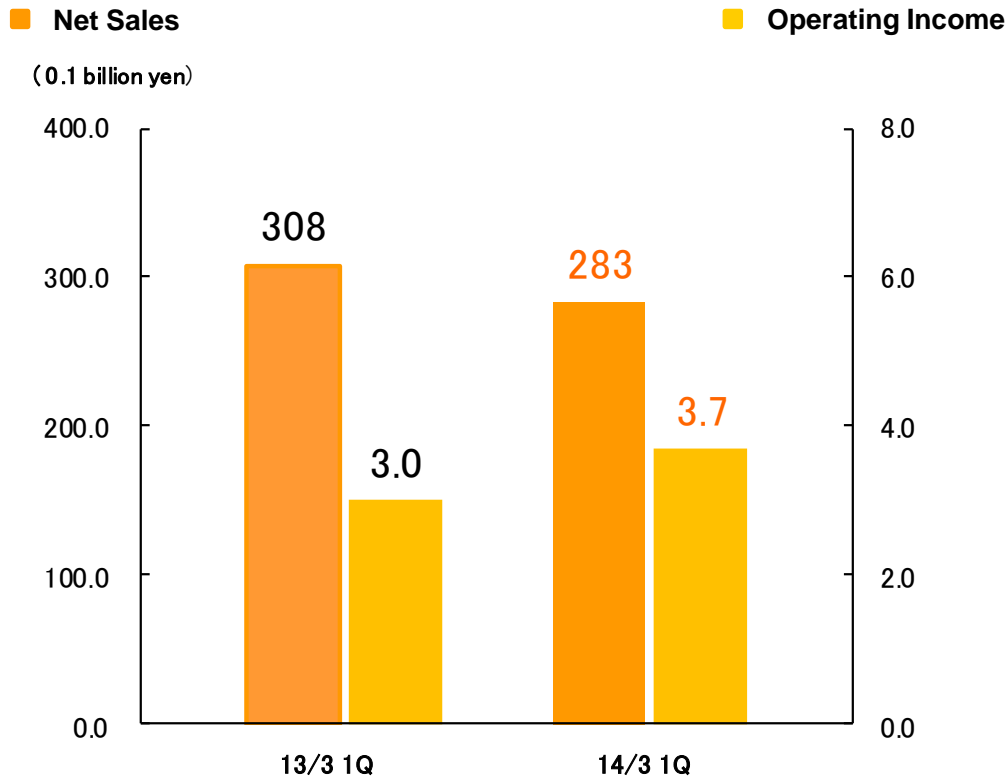
Total No. of lines subscribing for "movinostar" service



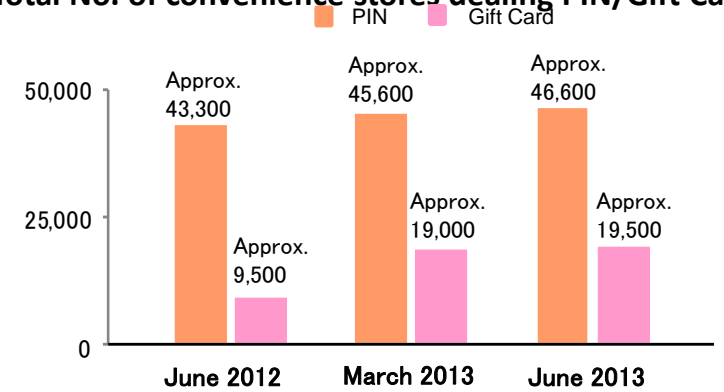
- Increase of sales volume of mobile-phones for corporate clients & subscription for various solution service contributed to growth of net sales.
- Operating income decreased mainly in fixed-line related service due to intensifying competition with mobile-broadband service.

Settlement Service & Other Business

Financial Results Comparison



Total No. of convenience stores dealing PIN/Gift Card



China Unicom Wanpingnan Road



- e-money related products sold well.

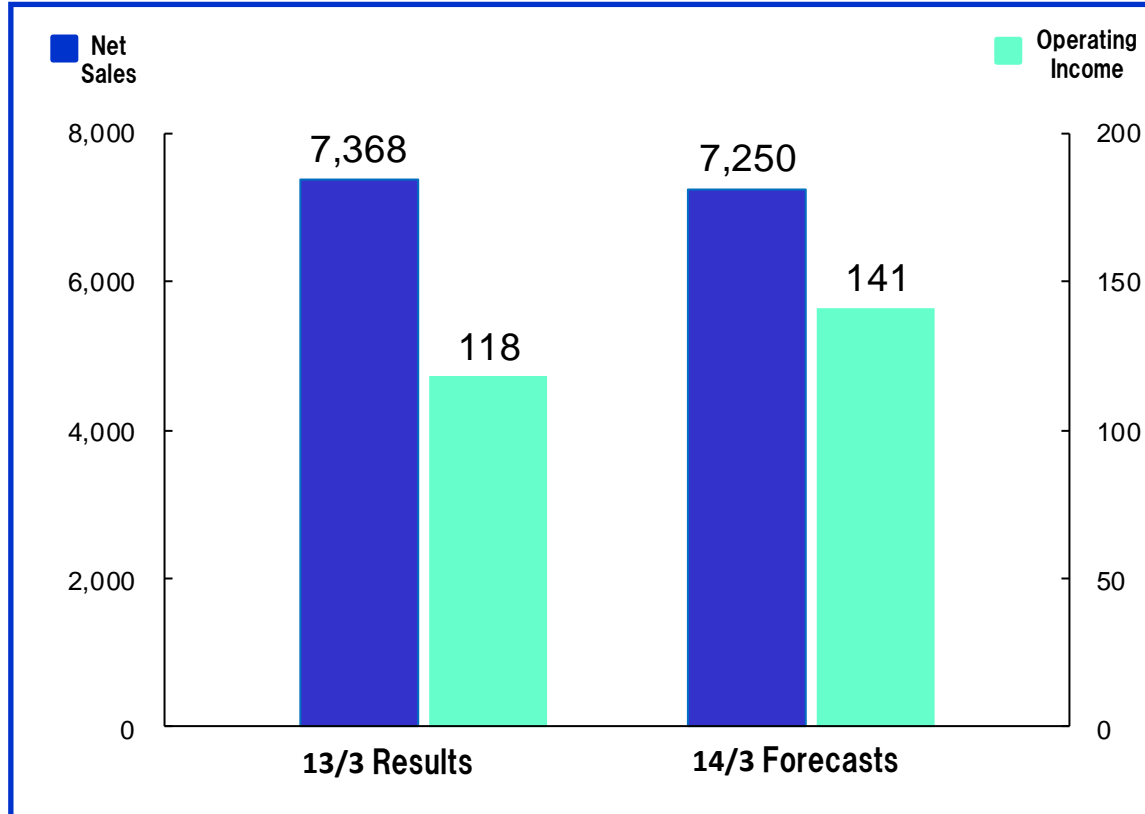
ワンピンナンルー

- May 2013, opened China Unicom Wanpinnan Road in Shanghai.

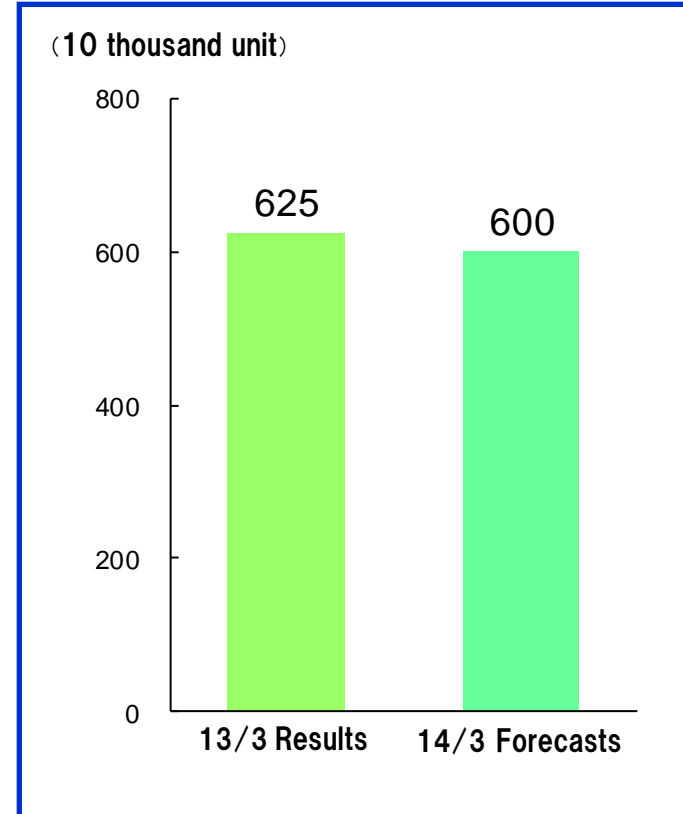
Forecasts for FY ending March 2014

Consolidated Forecasts for All TG Group

Financial Results Comparison (0.1billion yen)



Total No. of Mobile-phones to Sell



• No change in consolidated financial results for FY ending March 2014

Consolidated Forecasts for FY ending March 2014

(Unit : 0.1 billion yen)	13/3 Full-year Results	14/3 Full-year Forecasts	Change of Amount	Year-on-Year basis (%)
Net Sales	7,368.5	7,250.0	▲ 118.5	98.4%
Grosss Margin	666.8	676.0	9.2	101.4%
SGA Expenses	548.7	535.0	▲ 13.7	97.5%
Operating Income	118.0	141.0	23.0	119.4%
Orginary Income	116.9	138.0	21.1	118.0%
Net Income	65.8	77.5	11.7	117.7%
Net Income/Share (yen) [※]	82.77	98.15	15.38	118.6%
Dividend /Share (yen) [※]	35.00	35.00	0.00	100.0%
Dividend Payout Ratio (%)	42.3%	35.7%	-	-

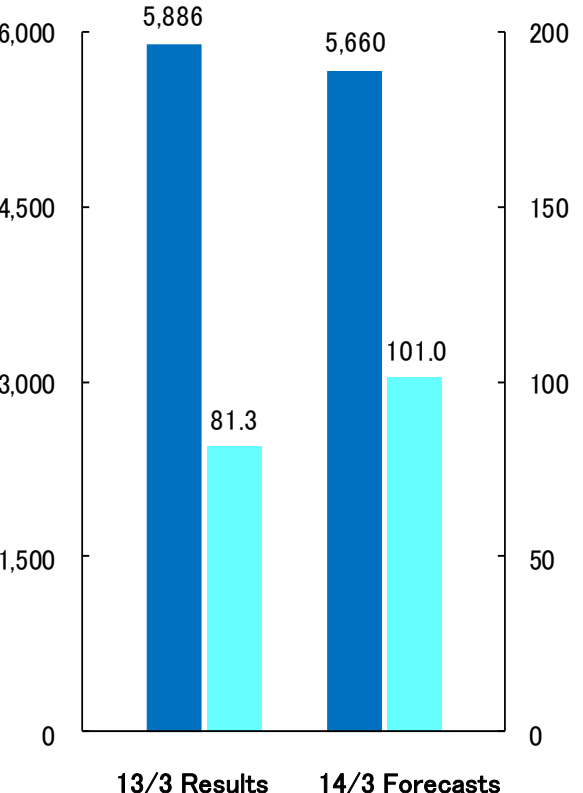
Consolidated Forecasts for FY ending March 2014 by Segment

(Unit: 0.1 billion yen)		2013/3 Results	2014/3 Forecasts	
		Amount	Amount	YoY basis (%)
Mobile-phone Business	Net Sales	5,886.7	5,660.0	96.1%
	Operating Income	81.3	101.0	124.2%
Solution Business	Net Sales	270.4	260.0	96.2%
	Operating Income	25.6	28.5	111.3%
Settlement Service Business & Others	Net Sales	1,211.3	1,330.0	109.8%
	Operating Income	11.0	11.5	104.5%
Total	Net Sales	7,368.5	7,250.0	98.4%
	Operating Income	118.0	141.0	119.4%

Full-year Consolidated Forecasts by Segment

Mobile-phone Business

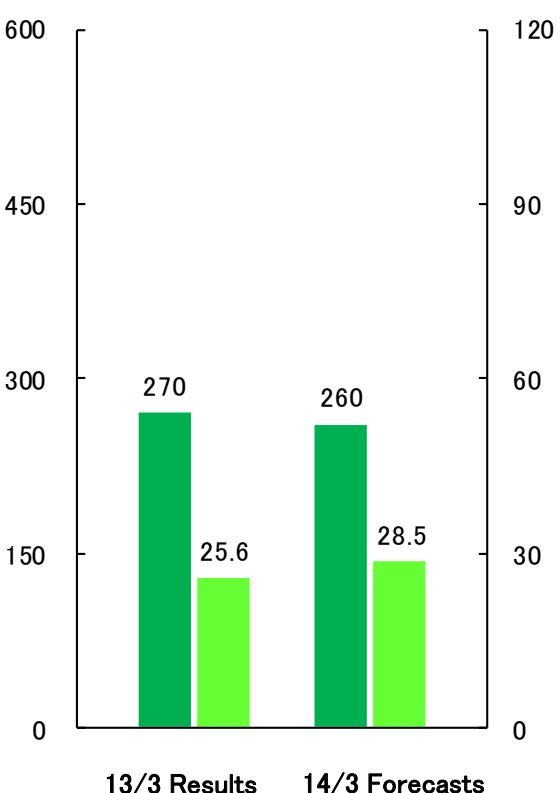
■ Net Sales (0.1 billion yen) ■ Operating Income



No. of Mobile-phones to Sell :5,840 thousand units

Solution Business

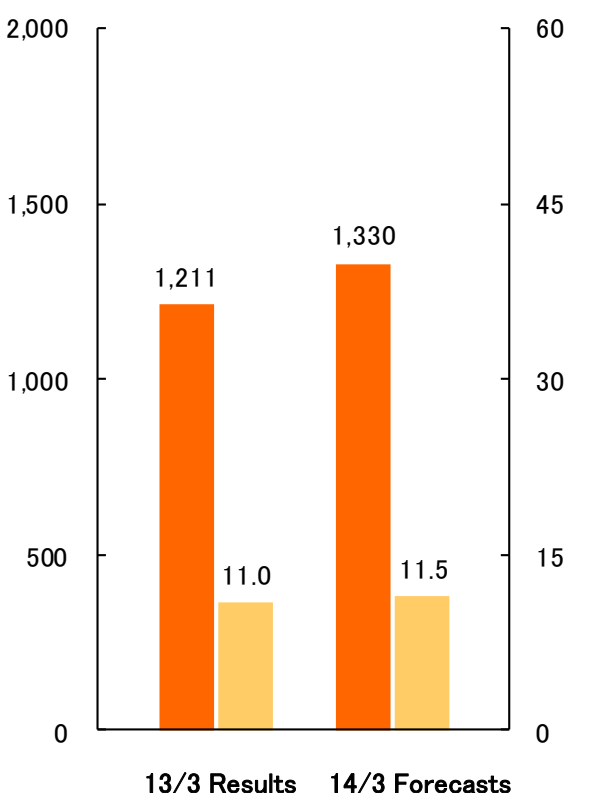
■ Net Sales (0.1 billion yen) ■ Operating Income



No. of Mobile-phones to Sell :160 thousand units

Settlement Service Business & Others

■ Net Sales (0.1 billion yen) ■ Operating Income



Development of Accessory Shops for Smart-phones①

AppBank Store Shinjuku

▪ August 2, 2013, opened one of the largest accessory shops in Japan in cooperation with AppBank co., Ltd.



Outline of AppBank Store Shinjuku

Address : HUMAX Pavilion Shinjuku East

3-28-10, Shinjuku, Shinjuku-ku, Tokyo

Business hour: 11:00-21:00



Carefully selected approx. 4,000 items

Development of Accessory Shops for Smart-phones②

Smart Labo

• Start with “ Smart Labo Hiroshima Hondori” opened November 2012, set up 6 shops until the end of June 2013.



SL Hiroshima Hondori
(Hiroshima Pref.)



SL Matsumoto PARCO
(Nagano Pref.)

SL Chiba PARCO
(Chiba Pref.)

SL Yume Town Mitoyo (Kagawa Pref.)



SL Shinsaibashi (Osaka)



SL Okaido Central (Ehime Pref.)



Mobile-phone Distribution Business in China

- July 2013, opened China Unicom Jouzouru as our ninth Unicom shop in Shanghai.

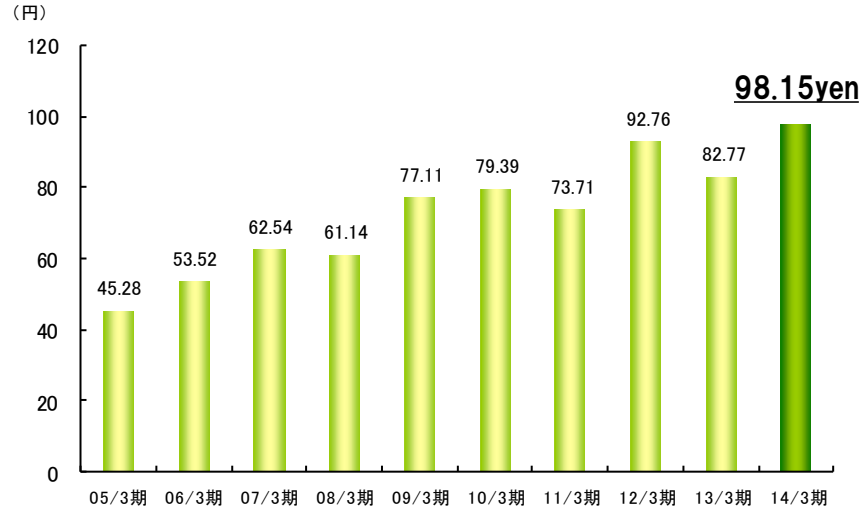


Return to Shareholders: Dividend Policy

[Basic Dividend Policy]

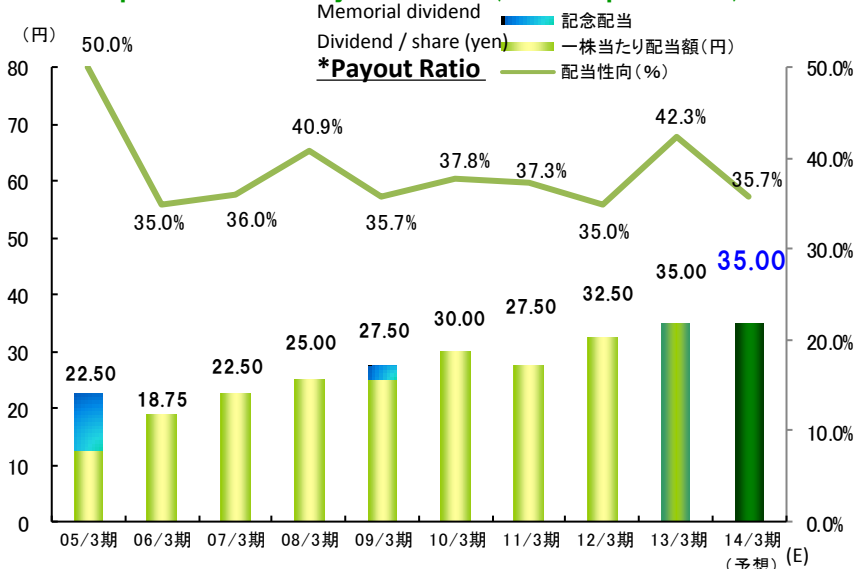
- Targeting and maintaining Dividend Payout Ratio over 30% Level

Net Income per Share (After-split basis)



※Amount for 2014/3 (Forecast) is calculated based on the average number of shares outstanding during the period. (予想) (E)

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



※Dividend Payout Ratio for 2014/3 (Forecast) is calculated based on the average number of shares outstanding during the period. (予想) (E)

[Year-end Dividend per Share for FY ending March 2014 (Forecast)]

35 yen/share (Interim dividend : 17.5 yen / Year-end dividend :17.5 yen)

⇒ Same level as the annual dividend in the FY ended March 2013