

TSE Securities Code: 3738
June 1, 2016
T-Gaia Corporation
4-1-18, Ebisu, Shibuya-ku, Tokyo
President & CEO: Toshifumi Shibuya

Notice of Convocation of the 25th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 25th Ordinary General Meeting of Shareholders (the “Meeting”) of T-Gaia Corporation (the “Company”), to be held as follows.

If you are unable to attend the Meeting, you can exercise your voting rights by postal mail. Please send back the Voting Form to exercise your voting rights no later than 5:45P.M. on Tuesday, June 21, 2016 (Japan Time).

Details

1. Date and Time: Wednesday, June 22, 2016 at 10:00A.M.
2. Place of the Meeting: Galaxy Ballroom on the 2nd basement level at The Westin Tokyo (Hotel)
1-4-1, Mita, Meguro-ku, Tokyo
3. Purpose of the Meeting
Matters to be reported:
 1. Report on Business Report, Consolidated Financial Statements, and the Audits of the Consolidated Financial Statements conducted by the Accounting Auditors and Audit Committee for the 25th Fiscal Year (from April 1st, 2015 to March 31st, 2016).
 2. Contents of Financial Statements for the 25th Fiscal Year (from April 1st, 2015 to March 31st, 2016)Matters to be resolved:
 - 1st Item Appropriation of Retained Earnings
 - 2nd Item Appointment of 10 Directors
 - 3rd Item Appointment of 2 Audit & Supervisory Board Members
 - 4th Item Appointment of 1 Supplementary Audit & Supervisory Board Member

Please submit the enclosed Voting Form to the receptionist upon attendance.
Should any revision be needed with regard to the Reference Materials for the Meeting, Business Report or Consolidated Financial Statements, the Company will post such revision on its website:
<http://www.t-gaia.co.jp/english/ir/index.html>

(Attached document)

Business Report

(April 1, 2015 to
March 31, 2016)

1. Current Status of the Corporate Group

(1) Business status for the year under review

1) Highlights and results

The Japanese economy in the period under review staged a moderate recovery, aided by the effects of public economic stimulus measures, with improving trends in the environments for corporate profits, employment, and household incomes. However, the economic outlook remains uncertain due to current fluctuations in financial markets such as yen appreciation and falling stock prices as well as slowing growth in emerging economies, including in China.

The market for mobile phone handset sales, which forms the business mainstay of the Group (the Company and its consolidated subsidiaries) remained strong, with favorable sales of accessories and other smartphone-related merchandise and attended by further expanding demand for tablets. Moreover, under the guidance of the Ministry of Internal Affairs and Communications, a discussion unfolded in the industry aiming to introduce appropriate marketing practices surrounding mobile phone charges and services.

In this operating environment, the Group took measures relating to the diversification of earnings sources and improvements in productivity. Sales of mobile phone handsets and related items have reached 4.69 million units and the percentage of smartphone sales has ascended into the range of 75 to 80%.

In the Mobile Telecommunications Business, in addition to strengthening smartphone-related merchandise and tablet propositions, the Company took steps to raise productivity and improve customer satisfaction by promoting store operations with the emphasis on efficiency gains and through sales staff training. In the Solutions Business, the Company provided corporate clients with support for the introduction of smart devices and strengthened its proposals in comprehensive mobile solutions. Moreover, as a fixed virtual network operator (FVNO), the Company marketed its proprietary fiber access service "TG Hikari" and promoted also sub-wholesaling through partnering companies.

Settlement Services Business and Other Business marked favorable sales of gift cards and improved business results at overseas operations.

Additionally, efforts at structural reform continued, such as company-level efficiency enhancement measures. Based on these developments, consolidated results for the period under review marked net sales of 620,074 million yen (-3.4% year-on-year), operating income of 15,666 million yen (+9.5% year-on-year), ordinary income of 15,621 million yen (+10.0% year-on-year), and 9,498 million yen (+22.6% year-on-year) in net income attributable to shareholders of the parent company, reflecting new historical highs at all earnings levels.

Consolidated business results by segment in the period under review developed as follows.

[Mobile Telecommunications Business]

Sales revenues in the period under review marked 521,221 million yen (−2.3% year-on-year) due to lower unit sales as demand for new models fell short of expectations and competition surrounding new customer acquisition slackened. Tablets, by contrast, continued to see growing unit sales thanks to reinforced marketing based on propositions tailored to customer needs. Both smartphones and tablets increased in percent of total sales.

To increase customers' smart-device convenience, the Company expanded sales of a variety of services including price-discounted services offered in a set with optical communications lines as well as accessories and other smartphone-related merchandise, with a view to increasing the unit selling price per customer. In addition to attracting customers and increasing sales through store enhancements based on relocation and refurbishment, the Company promoted effective store operations through appropriate staff deployment adjusted to customer traffic as well as human resources training and development of sales personnel along with advancing the transition from term-based employment to regular employee status. As a result of these developments, operating income rose to 11,718 million yen (+5.3% year-on-year).

[Solutions Business]

While providing corporate clients with support for the introduction of smart devices, the Company strengthened propositions for comprehensive mobile solutions including a diversity of support offerings, such as kitting services and helpdesk operations. By contrast, with the changes in the division's business model, fixed-line related merchandise suffered sales declines in optical communications line services, such as traditional FTTH (fiber to home). As a result of these developments, sales revenues decreased to 25,618 million yen (−2.5% year-on-year).

Sales for various kinds of support services in mobile solutions and fixed-lined related merchandise, such as Hikari Collaboration, were solid. However, earnings were impacted by system renewals surrounding communication lines and device management services for corporate users and strategic investments in human resources. As a result of these developments, operating income decreased to 2,357 million yen (−5.6% year-on-year).

[Settlement Services Business and Other Business]

Sales revenues decreased to 73,234 million yen (−10.9% year-on-year) reflecting the ongoing change in the merchandise composition from electronic-money based merchandise (with face value amounts equaling sales revenue) to gift cards (with received commissions as the sole revenue source).

Effective marketing measures such as promoting the development of new sales channels and implementing sales campaigns were instituted, resulting in favorable sales of gift cards associated also with the recognition of transient income. Moreover, business results improved at overseas operations in China and Singapore. As a result, operating income rose to 1,591 million yen (+132.3% year-on-year).

2) Status of business investment

[Mobile Telecommunications Business related]

In investment related to the Mobile Telecommunications Business, as part of our efforts to strengthen sales in mobile terminals, we invested a total of 990 million yen, mainly in refurbishing nationwide sales shops for mobile phones and purchases of furnishings.

[System related]

We invested 963 million yen in enhancing our sales system and on system infrastructure.

[Other]

We invested 80 million yen on refurbishing business offices and replacing office furniture and equipment.

3) Financing status

Required funds have been financed from self-funding and borrowing from financial institutions.

4) Status of transfer of business ownership, absorption-type split, or incorporation-type split

There are no applicable items.

5) Status of transfer of businesses from other companies

There are no major items.

6) Status of succession of rights and obligations regarding operations of other corporations as a result of an absorption-type merger or absorption-type split

There are no applicable items.

7) Status of acquisition or disposal of shares of stock, other equity interest, or subscription rights to shares of other companies

For the purpose of expanding income and enlarging the customer base in the Solutions Business, the Company on March 31, 2016, acquired 40.0% of the issued shares of SRJ Co., Ltd., and made the company into a company accounted for using the equity method.

(2) Assets and Profit & Loss for the Three Previous Fiscal Years

Category	22nd Fiscal Year (Fiscal year ended March 31, 2013)	23rd Fiscal Year (Fiscal year ended March 31, 2014)	24th Fiscal Year (Fiscal year ended March 31, 2015)	25th Fiscal Year (fiscal year under review) (Fiscal year ended March 31, 2016)
Net sales (million yen)	736,850	707,004	642,095	620,074
Ordinary income (million yen)	11,691	12,665	14,194	15,621
Net income attributable to shareholders of the parent company (million yen)	6,586	6,835	7,748	9,498
Net income per share (yen)	82.76	86.74	112.68	138.11
Total assets (million yen)	114,125	104,592	90,080	85,930
Net assets (million yen)	28,177	23,713	29,286	36,018
Net assets per share (yen)	356.89	343.41	423.19	520.80
Equity ratio (%)	24.7	22.6	32.3	41.7
Return on equity (%)	23.4	26.4	29.4	29.3

Note: A stock split was carried out on October 1, 2012. Net income per share and net assets per share have been calculated as if the split took place at the start of the 21st Fiscal Year (fiscal year ended March 31, 2012).

(22nd Fiscal Year) The Mobile Telecommunications Business had an increase in net sales as a result of expanded sales of smartphones and tablets and enhancement of accessory merchandise. The Solutions Business had an increase in net sales, resulting from sales of conventional mobile terminals to corporate customers, which was accompanied by adoption of smartphones and tablets and acquisition of various support services in addition to a trend towards strong sales in fiber network services such as FTTH. In the Settlement Services and Other Business, gift card sales channels and merchandise expanded, while there were also firm sales in merchandise based on electronic money that is available for use in e-commerce and SNS payments. As a result, net sales were 736,850 million yen, ordinary income was 11,691 million yen, and net income attributable to shareholders of the parent company was 6,586 million yen.

(23rd Fiscal Year) In the Mobile Telecommunications Business, operating income increased as a result of enhancing comprehensive proposals to increase customer satisfaction and convenience and advancing structural reform to improve the profitability of sales channels and raise operating efficiency, while demand for associated accessories and various services rose as adoption of smartphones and tablets spread. In the Solutions Business, net sales and operating income increased as a result of greater terminal sales towards corporate customers and solid results in support services. In the Settlement Services and Other Business, operating income and net sales both fell as a result of the leveling-off of sales in e-money-based merchandise and the expansion of new outlets in China. As a result, net sales were 707,004 million yen, ordinary income was 12,665 million yen, and net income attributable to shareholders of the parent company was 6,835 million yen.

(24th Fiscal Year) In the Mobile Telecommunications Business, operating income increased as a result of a market recovery created by the introduction of new fee plans by telecom operators and firm sales of new models, in addition to progress towards more efficient store operations and structural reform. In the Solutions Business, corporate sales were solid due to strengthening of comprehensive proposals for mobile device management (MDM) and kitting services. In Settlement Services and Other Business, both operating income and net sales fell as a result of aggressive spending on expansion of overseas business in China and Singapore. As a result, net sales were 642,095 million yen, ordinary income was 14,194 million yen, and net income attributable to shareholders of the parent company was 7,748 million yen.

(25th Fiscal Year) Described in 1. (1) 1) "Highlights and Results."

(3) Major status of the parent company and subsidiaries

1) Status of the parent company

There are no applicable items.

Note: The Company acquired 13,045,400 of its own shares from Mitsubishi Corporation in accordance with a press release of March 23, 2016, entitled "Notice Regarding the Result of the Tender Offer for the Company's Own Shares and Completion of Acquisition." In accordance with a separate press release on the same day and entitled "Notice Regarding Change of Parent Company," Sumitomo Corporation, the largest shareholder of the Company, is now considered the parent company, based on the settlement of the tender offer starting on April 13, 2016.

2) Major status of subsidiaries

Company name	Capital stock	Percent of voting rights held by the T-Gaia Corporation	Major lines of business
TG Miyazaki Co., Ltd.	50 million yen	100.0%	Sales of mobile phones, etc.
T-Gaia (Shanghai) Corporation	905 million yen	100.0%	Sales of mobile phones, etc., in the People's Republic of China
WAM!NET Japan K.K.	200 million yen	63.5%	Network management service provider of digital content, development and sales of fax server software

(4) Issues to address

1) Strengthening the foundation of existing businesses and initiatives towards new markets

In the market for mobile phone handset sales, the core business field of the Group, the trend to increasingly high-performance terminals as well as services of growing diversity and complexity continues. The Company considers it the mission of its stores to create environments and arrangements that enable customers to use products and services with confidence and peace of mind. Based on this concept, centered on Career Design Academy Co., Ltd. established in a further development of the TG Academy dedicated training institution, the Company has been upgrading store staff training beyond mere customer contact to enhanced skills in explaining products and services and advancing propositions when interacting with customers.

Moreover, providing opportunities where staff can fully demonstrate all sides of their capabilities is an indispensable requirement. In light of this, the Group is taking steps toward diversity management with the establishment of a diversity promotion team and proactively implementing the furtherance of work-life balancing, the creation of enhanced workplace environments, and the support for female employees, currently around 70% of sales staff, in promoting their careers. Specific examples include the promotion of childcare leave, the widening of regulations for shortened work hours, and the

introduction of regulations for the return to the workplace. Other examples are the establishment of a target to raise the percentage of female executives to at least 10% and the furtherance of programs for the proactive advancement and training of female employees.

As stated in the foregoing, the effects from the convenience of smart phones and tablets on society are becoming more pronounced day by day. This development coincides with a growing need to appropriately address demands from customers calling for environments enabling convenient and safe usage of their devices as well as complaints and inquiries. In December 2014, this insight gave rise to the establishment of the National Association of Mobile-phone Distributors by the vendor industry. As a leading company in the mobile phone vendor industry, T-Gaia played a central part in the founding. As a core company, T-Gaia will in its activities continue to work for the appropriate diffusion of smart phones and tablets from the perspective of the customer and based on careful and easy-to-understand explanations. In so doing, T-Gaia proposes to play a part in establishing Japan as a leading ICT country in the 2020s by contributing to realizing telecommunications infrastructure at the highest global level.

The Company has identified the following issues and matters of interest at its individual operations.

In the Mobile Telecommunications Business, we believe it is important to build stores that are attractive to our customers and to raise the skills of our sales staff. To this end, measures to enhance customer satisfaction are being constantly taken such as relocations and refurbishments of carrier shops, reductions in waiting times of customers, and promotion of one-stop service propositions including optical communications line services such as FTTH. Furthermore, we will improve convenience for our customers and make the life of the smart phone customer more satisfying and fulfilling by opening more specialty shops for smart phone accessories including e-commerce.

We are also conscious of the issues of reviewing the way we operate our businesses to meet the changes in our market environment, and bringing our costs to appropriate levels through actions to improve the efficiency of our operations.

The Solutions Business provides appropriate products and services sought by corporate customers, offers implementation support for smart phones and tablets, and renders total solution services including “T-Gaia Smart Support,” which has high added-value built on the growing diversity of devices and applications.

Moreover, the trend toward diversification in the provision of FTTH and other optical telecommunications line services means an opportunity for the Company to expand sales routes and appropriately respond to diversifying new customer needs and changes in the business environment.

To this end, while expanding our services we will also strive to enhance the capabilities of our human resources and improve our capacity to generate and adopt new ideas.

In Settlement Service Business and Other Business, efforts will be stepped up to expand sales of electronic settlement services using PIN sales systems, as well as expanding sales routes and the product line-up of gift card operations, and in so doing enhance customer convenience in order to capture the growth of the market.

In overseas business, regarding the Mobile Telecommunications Business in China, we aim to offer high-quality services by leveraging the sales know-how accumulated in Japan and provide customers with total service as a local support base for Japanese-affiliated companies.

Moreover, regarding the Solutions Business in Singapore, we will work to extend the range of merchandise and launch service initiatives as bases for overseas business development centered on Southeast Asia.

The Group will continue to push ahead with its settlement services business and its overseas business focusing on Asian markets, while also aiming to further develop the Group through investments in marketable businesses and the development of our human resources.

2) Compliance

The Group places compliance with laws and regulations and the preservation of ethics as major issues in the execution of its work. Various issues related to compliance are deliberated by the Compliance Committee and then tied to improvement activities. A Compliance Promotion Department has been established under the direct control of the President as a permanent organization for promoting compliance. With the intent of improving our quality and ability in the sales of mobile phones at the company-wide level, we have initiated a compliance system and internal awareness campaigns that cover the prevention of improper use of mobile phones and the protection of privacy information.

In the Compliance Regulations, the T-Gaia Group presents the company policy regarding compliance to all officers and employees. Furthermore, we have established multiple reporting and consultation channels regarding both internal and external compliance to ensure the early identification and capturing of compliance violations and risk information.

3) Risk management

The Risk Management Committee has been established as a system for comprehensive identification and understanding of risks across the company, for providing immediate solutions to risks, and for evaluating risks. By strengthening risk management and by actively controlling risks, the Group seeks to be aggressive in the preservation and expansion of its corporate value.

From the perspective of realizing appropriate information disclosure in accordance with the Financial Instruments and Exchange Act and standards of timely disclosure, the Information Disclosure Committee reviews the content of public disclosures and verifies their accuracy.

4) Corporate governance

Appropriate conduct of corporate governance is a critical issue for the T-Gaia Group. The Group sees corporate governance as 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. In addition, T-Gaia believes it is necessary to respect the rights and interests of stakeholders other than shareholders—including customers, business partners, employees, and members of the community and society—and to build smooth relationships with them. Under our recognition that striving to conduct our business while constructing and maintaining a better governance system is a mission as a corporation in society, we have established an institutional framework from the viewpoints of "ensuring management transparency" and "preserving and improving corporate value" and then raising effectiveness through daily activities.

An overview of decision details regarding a system for ensuring proper business operations is described in "3. System for Ensuring Proper Operations and Operating Status of the Corresponding System."

(5) Major lines of business (as of March 31, 2016)

Business category	Lines of business
Mobile Telecommunications Business	Agency for telecommunication service contracts for mobile phones, PHS (personal handyphone system), etc.; Sales of mobile phone and associated merchandise, etc.
Solutions Business	Sales of mobile phones for corporate customers and agency for fixed-line service contracts
Settlement Services Business and Other Business	Distribution business for electronic settlement business using PIN (personal identification number) sales systems, gift card business, overseas business, etc.

(6) Main sales offices (as of March 31, 2016)

1) T-Gaia Corporation

Head office	4-1-18 Ebisu, Shibuya-ku, Tokyo
West Japan Regional Headquarter	1-6-20 Dojima, Kita-ku, Osaka City, Osaka Prefecture
Tokai Regional Headquarter	1-11-11 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture
Kyushu Regional Headquarter	7-20 Gionmachi, Hakata-ku, Fukuoka City, Fukuoka Prefecture
Hokkaido Branch	8-2 Odori-nishi, Chuo-ku, Sapporo City, Hokkaido
Tohoku Branch	2-15-1 Honcho, Aoba-ku, Sendai City, Miyagi Prefecture
Niigata Branch	1-1-24 Kamitokoro, Chuo-ku, Niigata City, Niigata Prefecture
Nagano Branch	991-1 Kurita, Nagano City, Nagano Prefecture
Hokuriku Branch	3-1-1 Hirooka, Kanazawa City, Ishikawa Prefecture
Chugoku Branch	8-12 Nakamachi, Naka-ku, Hiroshima City, Hiroshima Prefecture
Shikoku Branch	1-1-5 Bancho, Takamatsu City, Kagawa Prefecture

2) Subsidiaries

TG Miyazaki Co., Ltd.	Headquarter 2359 Osadako, Yoshimura-cho, Miyazaki City, Miyazaki Prefecture
T-Gaia (Shanghai) Corporation	Shanghai City, People's Republic of China
WAM!NET Japan K.K	Headquarter 1-5-17 Shinkawa, Chuo-ku, Tokyo

(7) Status of employees (as of March 31, 2016)

1) Employees of the corporate group

Number of employees	Change from previous fiscal year
1,799	+101

Note: The number of employees refers to full-time employees (excluding those on transfer outside the Group but including those transferred to the Group from outside the Group) and does not include the yearly average of 4,012 temporary employees.

2) Employees of T-Gaia Corporation

Number of employees	Change from previous fiscal year	Average age	Average years of consecutive employment
1,683	+75	38.4	11.3

Note: The number of employees refers to full-time employees (excluding those on transfer outside the Company but including those transferred to the Company from outside the Company) and does not include the yearly average of 3,933 temporary employees.

(8) Status of major creditors (as of March 31, 2016)

Creditor	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	5,484
Sumitomo Mitsui Trust Bank, Limited	5,412
Mizuho Bank, Ltd.	4,625
Mitsubishi UFJ Trust and Banking Corporation	4,595
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,018
The Higo Bank, Ltd.	875
The Hachijuni Bank, Ltd.	412
The Hyakugo Bank, Ltd.	250
The Aichi Bank, Ltd.	206

(9) Other Major Items Regarding Current Status of the Corporate Group

On August 3, 2012, InComm Japan KK (main offices: Shinjuku-ku, Tokyo; president and representative director: Takuma Arai; in the following “InComm Japan”), a supplier of merchandise for the gift card business of the Company, petitioned the Tokyo District Court to grant temporary injunctions against the Company (the “Petition”). On June 12, 2013, the Tokyo District Court granted temporary injunctions ordering the Company to suspend the sales of and to recall specified merchandise of the Company (the “Injunction”).

While taking action in accordance with the Injunction, the Company filed opposition with the Tokyo District Court asking for the Injunction to be removed. On March 4, 2014, the Court acknowledged in part the claims of the Company and decided for the Injunction to be in part removed. The Company and InComm Japan respectively filed petitions for relief with the Tokyo High Court on grounds that the decision of the Tokyo District Court was made in error. However, on September 4, 2015 the Tokyo High Court passed judgment upholding the decision of the Tokyo District Court in respect of which opposition had been filed. Against this ruling, InComm Japan filed a special appeal with the Supreme Court. However, the filing was rejected by the Supreme Court on March 23, 2016. As a result, the Injunction imposed by the Tokyo District Court became final, bringing the Injunction proceedings to an end.

Moreover, InComm Japan has simultaneously with filing petition for the Injunction initiated court action against the Company at the Tokyo District Court seeking to prohibit the sales and demanding the return of specified merchandise as well as claiming indemnification for damages (claimed indemnification amount: 658 million yen) and has since been advancing the litigation proceedings. The Company has requested for the claims of InComm Japan to be dismissed and will continue to take action to have its assertions recognized.

2. Current Status of the Company

(1) Status of shares (as of March 31, 2016)

- 1) Authorized shares 400,000,000 shares
- 2) Shares issued 79,074,000 shares
- 3) Shareholders 4,933 shareholders
- 4) Major shareholders (Top 10 largest)

Shareholder	Shares held	Shareholding ratio
Sumitomo Corporation	23,345,400 shares	33.94%
Mitsubishi Corporation	13,045,400 shares	18.96%
Hikari Tsushin, Inc.	11,933,400 shares	17.35%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,601,300 shares	2.32%
Japan Trustee Services Bank, Ltd. (Trust Account)	1,197,800 shares	1.74%
Info Service, Inc.	1,143,000 shares	1.66%
National Mutual Insurance Federation of Agricultural Cooperatives	1,100,000 shares	1.59%
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASH PB)	849,600 shares	1.23%
T-Gaia Employee Shareholding Association	708,800 shares	1.03%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	707,100 shares	1.02%

Notes: 1. T-Gaia Corporation holds 10,300,357 treasury shares but is not included in the list of major shareholders.

2. Shareholding ratio is calculated after removing treasury shares.

3. On April 13, 2016, the Company in accordance with a tender offer, purchased 13,045,400 of its own shares from Mitsubishi Corporation, which is no longer a major shareholder as of that date.

5) Other important matters regarding shares of stock

There are no applicable items.

(2) Subscription rights to shares

- 1) Status, as of the last day of the year under review, of subscription rights to shares held by company officers and granted as consideration for performance of work duties.

There are no applicable items.

- 2) Status, during the year under review, of subscription rights to shares granted to employees as consideration for performance of work duties.

There are no applicable items.

(3) Status of company officers

1) Status of company directors and corporate auditors (as of March 31, 2016)

Position	Name	Area of responsibility and major concurrent posts
Chairman, Board of Directors	Testuro Takeoka	Representative Director, National Association of Mobile-phone Distributors
President and CEO	Toshifumi Shibuya	President and Executive Officer
Director	Bunpei Katayama	Executive Vice President, Director of No. 2 Mobile Division and Senior Director of No. 2 Sales Division
Director	Nobutaka Kanaji	Executive Vice President, Senior Director of Corporate Strategy
Director	Soichiro Tada	Senior Corporate Executive Officer, Senior Director of Corporate Finance and Director of Risk Management
Director	Tatsujiro Naito	Representative Director of Sumitomo Corporation, Senior Director of Network Business External Director, SCSK Corporation
Director	Masami Atarashi	President and CEO, International Business Brain Co., Ltd. External Director, Kenkou Corporation Inc. External Director, Kobayashi Metals Limited
Director	Tsuyoshi Konda	Director of General Mobile Business, Network Business, Sumitomo Corporation
Full-time Corporate Auditor	Makoto Ikadai	
Corporate Auditor	Yukihide Matsuoka	Representative, Matsuoka Certified Public Accountant Office External Corporate Auditor, Spancrete Corporation External Corporate Auditor, Heiwa Paper Co., Ltd.
Corporate Auditor	Toshiro Kaba	Representative Attorney, Shiroyama Tower Law Office External Corporate Auditor, GungHo Online Entertainment, Inc. External Corporate Auditor, Cave Interactive Co., Ltd. Director of Law Division, Toin Law School

Notes: 1. Effective April 1, 2016, the following changes in the status and responsibility of the directors were made.

Name	Before change	After change
Bunpei Katayama	Director, Executive Vice President, Director of No. 2 Mobile Business Division and concurrently Senior Director of No. 2 Sales Division	Director, Executive Vice President, Director of No. 2 Mobile Business Division
Nobutaka Kanaji	Director, Executive Vice President, Senior Director of Corporate Strategy	Director, Executive Vice President, Senior Director of Smart Life Business and concurrently Senior Director of Solutions Business and Responsible for Network Business Division
Soichiro Tada	Director, Senior Corporate Executive Officer, Senior Director of Corporate Finance and concurrently Director of Risk Management	Director, Executive Vice President, Senior Director of Corporate Finance
Tsuyoshi Konda	Director (part-time) Sumitomo Corporation, Network Business Division, Director of General Mobile Business	Director Senior Corporate Executive Officer, Senior Director of Corporate Strategy and concurrently Director of China Business Promotion

2. Directors Tatsujiro Naito, Masami Atarashi, and Tsuyoshi Konda are external directors.
3. Corporate Auditors Makoto Ikadai, Yukihide Matsuoka, and Toshiro Kaba are external corporate auditors.
4. Corporate Auditor Yukihide Matsuoka holds qualifications as a certified public accountant and has certain expertise regarding finance and accounting.
5. The Company has shown that Director Masami Atarashi, Corporate Auditor Yukihide Matsuoka, and Corporate Auditor Toshiro Kaba are independent directors/auditors as stipulated by the Tokyo Stock Exchange and has reported this to the exchange.

2) Overview of details concerning agreements for limitations of liability

The following officers have entered into agreements with the Company that limit their liability for damages of Article 423, Paragraph 1 of the Companies Act, based on the provision of Article 427, Paragraph 1 of the same act: Director Tetsuro Takeoka, Director Tatsujiro Naito, Director Masami Atarashi, Director Tsuyoshi Konda, Full-time Corporate Auditor Makoto Ikadai, Corporate Auditor Yukihide Matsuoka, and Corporate Auditor Toshiro Kaba.

The amount of the limitations on liability for damages, based on the corresponding agreements, is the amount specified in Article 425, Paragraph 1 of the Companies Act.

Director Tsuyoshi Konda became an executive director on April 1, 2016, and his contract was rendered invalid on that date.

3) Directors and corporate auditors leaving their appointment during the fiscal year

Name	Date of leaving	Reason for leaving	Position and responsibilities at time of leaving and important concurrent duties
Yutaka Fujita	June 19, 2015	End of term of appointment	Director, Executive Vice President, Head of Kyushu Regional Headquarters
Hiroyuki Koike	June 19, 2015	End of term of appointment	External Director Sumitomo Corporation, Senior Director of IT Solutions Business and concurrently Head of Investment Development Division
Takaharu Tao	June 19, 2015	End of term of appointment	Full-time Corporate Auditor
Yoshihiro Koda	October 4, 2015	Deceased	Full-time Corporate Auditor

4) Remuneration of directors and corporate auditors

Category	No. of persons paid	Amount of pay
Directors (external directors)	7 (1)	162 million yen (6)
Corporate auditors (external corporate auditors)	5 (5)	44 (44)
Total	12	207

- Notes: 1. The amount of a director's pay does not include the employee salary of someone who is concurrently an employee and a director.
2. The amount of limitation of the directors' remuneration was resolved at the 17th Annual General Meeting of Shareholders, held on June 26, 2008, to be no more than 300 million yen per year (of which the external directors' portion must not exceed 30 million yen; the portion of remuneration for salary as an employee is not included).
3. The amount of limitation of the corporate auditors' remuneration was resolved at the 17th Annual General Meeting of Shareholders, held on June 26, 2008, to be no more than 70 million yen per year.

5) Items regarding external directors

- a. Status of joint appointment as an executive director of another company and the relationship between the corresponding company and T-Gaia
- Director Tatsujiro Naito is a representative director of Sumitomo Corporation, Senior Director of Network Business. On April 1, 2016, he was appointed at SCSK Corporation as Senior Corporate Executive Officer, Director of Distribution Systems Business Division, Senior Director of Global Systems Business Division.
 - Director Masami Atarashi is the President and CEO of International Business Brain Co., Ltd. There is no special relationship between T-Gaia Corporation and this company.
 - Director Tsuyoshi Konda was the Director of General Mobile Business in the Network Business Division at Sumitomo Corporation. On April 1, 2016, he was appointed at T-Gaia Corporation as Director Senior Corporate Executive Officer, Senior Director of Corporate Strategy with concurrent appointment as Director of China Business Promotion and no longer holds a concurrent appointment for execution of operations at another company.
 - There is no special relationship between T-Gaia Corporation and Sumitomo Corporation.
- b. Status of joint appointment as an external officer at another company, and the relationship between the corresponding company and T-Gaia
- Director Tatsujiro Naito is a part-time director at SCSK Corporation. On April 1, 2016, he became a full-time director. T-Gaia Corporation has a transactional relationship with SCSK Corporation in outsourcing work related to systems.
 - Director Masami Atarashi is an external director of Kobayashi Metals Limited. There is no special relationship between T-Gaia Corporation and Kobayashi Metals.
 - Corporate Auditor Yukihide Matsuoka is an external corporate auditor at Spancrete Corporation and Heiwa Paper Co., Ltd. There is no special relationship between T-Gaia Corporation and these two companies.
 - Corporate Auditor Toshiro Kaba is an external corporate auditor at Gung-Ho Online Entertainment, Inc. and Cave Interactive Co., Ltd. There is no special relationship between T-Gaia Corporation and these companies.

c. Status of major activities in the fiscal year under review

(a) Attendance at Board of Directors and Board of Auditors

	Board of Directors		Board of Auditors	
	Times attended/ meetings held	Attendance rate (%)	Times attended/ meetings held	Attendance rate (%)
Director Tatsujiro Naito	11/13	84.6	—	—
Director Masami Atarashi	13/13	100.0	—	—
Director Tsuyoshi Konda	9/10	90.0	—	—
Corporate Auditor Makoto Ikadai	13/13	100.0	12/12	100.0
Corporate Auditor Yoshihiro Koda	3/4	75.0	3/4	75.0
Corporate Auditor Yukihide Matsuoka	13/13	100.0	12/12	100.0
Corporate Auditor Toshiro Kaba	13/13	100.0	12/12	100.0

Note: The values for times attended and attendance rates for external directors and external corporate auditors at each company indicate the respective values for Board of Directors meetings or Board of Auditors meetings held during their term of appointment.

(b) Communications status

- Director Tatsujiro Naito and Director Tsuyoshi Konda communicate from an objective standpoint that is independent of the management team that executes business operations, based on their insightful knowledge of the information and communications industry.
- Director Masami Atarashi communicates from an objective standpoint that is independent of the management team, based on his experience and insightful knowledge cultivated over his long years of diverse corporate management experience.
- Corporate Auditor Makoto Ikadai offers advice and recommendations for ensuring the propriety and appropriateness of decision-making at the Board of Directors based on his experience and expertise in internal auditing and finance.
He also communicates his views at the Board of Auditors Meeting based on his experience and expertise in internal auditing and finance.
- Corporate Auditor Yoshihiro Koda offers advice and recommendations for ensuring the propriety and appropriateness of decision-making at the Board of Directors based on his knowledge cultivated through his abundant experience at other companies.
He also communicates his views based on his expertise cultivated through his abundant experience at other companies.
- Corporate Auditor Yukihide Matsuoka offers his advice and recommendations for ensuring the propriety and appropriateness of decision-making at the Board of Directors based on his special expertise as a certified public accountant.
He also communicates his views at the Board of Auditors from his technical expertise as a certified public accountant.
- Corporate Auditor Toshiro Kaba offers his advice and recommendations for ensuring the propriety and appropriateness of decision-making at the Board of Directors based on his special expertise as an attorney at law.
He also communicates his views at the Board of Auditors Meeting from his technical expertise as an attorney at law.

Note: The status of External Corporate Auditor Yoshihiro Koda is stated from his assumption of duties on June 19, 2015, until he vacated his appointment due to his death on October 4, 2015.

(4) Status of accounting auditors

1) Name Deloitte Touche Tohmatsu LLC

2) Value of remuneration, etc.

	Value of remuneration, etc.
Value of remuneration, etc. for the accounting auditors for the fiscal year under review	52 million yen
Total value of money and other financial profits to be paid to the accounting auditors by T-Gaia and its subsidiaries	52 million yen

Notes: 1. For the accounting agreement between the Company and the accounting auditors, the classification of remuneration for audits based on the Companies Act and the Financial Instruments and Exchange Act is not clearly stated and cannot in effect be classified. Therefore, we are stating the total of these values for remuneration to the accounting auditors for the fiscal year under review.

2. The Board of Auditors decided on the approval of the amount of remuneration to the accounting auditors after verifying the content of the auditors' audit plan and the performance of work duties for the accounting audit and whether the calculation basis for the cost estimate of the auditors' remuneration is appropriate.

3. In addition to the amounts stated above, 3 million yen was paid in remuneration for the prior year's audit.

3) Policy for deciding upon dismissal or refusal to reappoint the accounting auditors
The Board of Auditors will dismiss the auditors when it judges such dismissal qualifies as the rationale for dismissal stipulated in Article 340 of the Companies Act.

3. System for Ensuring Proper Operations and Operating Status of the Corresponding System

The Company, at a Board of Directors Meeting held on May 14, 2015, resolved to revise in part its basic policy regarding the construction of a system for ensuring proper operations (Basic Policy for Constructing a System of Internal Controls).

Details of the corresponding basic policy after revision are as follows.

- (1) Overview of decision details concerning the system for ensuring proper operations
 - 1) System for ensuring that the performance of work duties by directors and employees conforms to laws and regulations and the Articles of Incorporation.
 - a. Observation of laws and regulations and preservation of ethics (compliance) is positioned as one of the most critical issues in the performance of business operations. The Company has therefore established a set of Compliance Regulations and requires that all officers and employees comply with these regulations.
 - b. The role of a chief compliance officer (head of the Compliance Committee) has been established and the Compliance Committee, whose membership comprises the President, executive officers, and others, convenes as necessary based on the Compliance Committee Regulations. The Compliance Promotion Committee that serves as the implementation organization has been established under this committee. The Company thereby strives to construct such a compliance system and to maintain and improve its effectiveness.
 - c. In order to thoroughly disseminate and improve compliance awareness, the Company has established and continues to enhance compliance training focused on officers and employees.
 - d. Multiple channels have been established, both within and outside the Company, for reporting and consultation regarding compliance. These include outside legal counsel and third-party organizations.
 - e. Those who violate compliance policy will be dealt with strictly including disciplinary actions based on employment regulations.
 - f. Mutual monitoring is conducted daily on the status of compliance with laws and regulations, company regulations, and rules, and periodic audits are performed. The effects with respect to company management are then evaluated and analyzed.
 - 2) System regarding the retention and management of information for the execution of work duties by the Board of Directors
 - a. Regarding the retention and management of information related to the execution of work duties by the Board of Directors, the minutes of the Board of Directors meetings, proposal applications and other documents related to the execution of work duties by the Board of Directors, and other information (including electronic records) are retained and managed as appropriate in accordance with Company regulations such as the Document Retention Control Regulations and Regulations for the Management of Information Systems. As necessary, the status of retention and management is verified and regulations revised.
 - b. The directors and corporate auditors shall be able to review these documents promptly based on these application for request.

- 3) Regulations and other systems regarding management of risk of loss
 - a. For the purpose of managing various risks of loss ("risks") related to the business activity of the Group and of preventing the manifestation of these risks, risk information is collected and analyzed for predictors that lead to early discovery. Management Regulations have been established so that appropriate measures can be implemented quickly when risks arise and a supervisory department responsible has been set in response to the types of risk. In addition, the Risk Management Committee convenes regularly and seeks to construct, maintain, and improve the risk management system.
 - b. The head of each organization in the Group conducts its business within the scope of authority granted based on the Work Authority Regulations and manages risks in conjunction with this conduct of business.
For the case in which business is to be conducted in excess of granted authority, the procedures for proposal application and reporting, which are set forth in the Work Authority Regulations, are carried out and risks are managed for the performance of the corresponding authorized business.
 - c. In compliance with the Internal Auditing Regulations, the Internal Audit Division regularly audits whether or not work is performed lawfully and properly in compliance with laws and regulations, the Articles of Incorporation, and various regulations at the headquarters, regional headquarters, divisions, and branches of the Company. The Internal Audit Division reports its audit results to the President.
- 4) System for ensuring that the execution of work duties by the Board of Directors is carried out efficiently.
 - a. In addition to making decisions on important matters, the Board of Directors oversees that the execution of work duties by the directors is carried out efficiently and properly. The number of directors shall be within the limits in which matters can be discussed exhaustively at the Board of Directors meeting and in which decisions can be made promptly and reasonably.
 - b. A management conference has been established at which important policies regarding overall company management and important matters related to management such matters for discussion and reporting at the Board of Directors meeting are covered in mutual consultations. In addition, the Company seeks unobstructed communications concerning execution of operations through mutual exchange of information among management conference members.
 - c. Executive officer system: The Company seeks to strengthen the Board of Directors' function and to have prompt execution of operations by separating the management functions of "work execution" and "decision-making and supervision of work execution." Executive officers are selected by the Board of Directors and execute the duties set forth by the Board of Directors.
 - d. The units of work execution are set as the headquarters, regional headquarters, and divisions and branches. Business is conducted with a sense of speed that adheres closely to the work locale by granting a certain amount of authority to the heads of these units based on the Work Authority Regulations. The unit of profit is also set as the headquarters, regional headquarters, and divisions and branches. This practice ensures the transparency of the business operation status at the headquarters and regional headquarters.

- e. Proposal application and reporting system: To ensure prompt execution of work duties, the transfer of authority is performed after authorities and responsibilities have been clearly stated in accordance with the regulations for division of work and work authority. For matters that exceed authority, a final decision set forth in regulations will be made after deliberations from the point of view of the areas of expertise of the Administrative Division. The Company strives to construct, maintain, and improve a system in which execution of directors' work duties is proper and efficient by reviewing as needed the regulations, proposal application and reporting procedures, etc.
- 5) System for ensuring the appropriateness of work in the corporate group composed of a joint stock company, its parent company, and its subsidiaries
- a. Based on Management Regulations for Associated Companies, and under the principle of autonomous operation of subsidiaries, the supervisory department responsible is the headquarters, regional headquarters, division or branch in charge of business that has the closest relationship to the business of the subsidiary. An appropriate consolidated business management system has been constructed and maintained for grasping the business status of the subsidiary, through requests for regular reporting of operation results, financial information, and other important information; in addition, reporting is requested on matters based on the Management Regulations for Associated Companies and on audit results based on the Internal Audit Regulations. Also, as a contributor of capital, the Company makes an appropriate manifestation of intention to the management team of the subsidiary.
 - b. The compliance system has been constructed and operated by the Group corporation overall, and a system for receiving advice as needed from an outside law office has been constructed. Also, compliance training is provided once a year to the officers and employees of the Group as an effort to foster compliance awareness.
 - c. Work authority and a chain-of-command structure of subsidiaries are set forth in the Management Regulations for Associated Companies, and a system has been constructed in conformance with these.
- 6) Items related to employees for the case in which corporate auditors have requested that employees be placed in order to assist in their work
- If a corporate auditor requests an employee to assist in the work of the corporate auditor, then an application request can be made to the representative director to place an employee with the required expertise and ability to assist in audit work.
- 7) Matters related to the independence from the Board of Directors of the employee in the previous item
- The reporting line authority for the employee placed in accordance with the previous item is from the corporate auditor and shall not be a reporting line from a director. Also, in order to preserve the independence and effectiveness of the employee placed in accordance with the previous item, the personnel appraisal, personnel transfer, discipline, etc., of the corresponding employee is determined after the representative director obtains the approval of the full-time corporate auditor.

- 8) System for directors and employees to report to the corporate auditor and system for other reports to the corporate auditor
- a. A corporate auditor can attend the Board of Directors meeting, management conference, executive officers meeting, and other important meetings.
 - b. A corporate auditor can review major related documents and request submissions of corresponding materials.
 - c. A corporate auditor can at any time and as needed receive reports from officers and employees of the Group.
 - d. A corporate auditor may audit the status of a subsidiary's management through site visits to the subsidiary and through ordinary connections to the corporate auditors of the subsidiary.
 - e. The directors and the officers and employees of the Group, or those who receive reports from them, make reports on the following conditions to the Board of Auditors or corporate auditors designated by the Board of Auditors (hereinafter, "Special Corporate Auditors").
 - Notable damage to the company or significant compliance violations that have occurred or are likely to occur
 - Matters for which a Special Corporate Auditor has requested a report or matters deemed necessary for audits (for example, Subsequent Events)
 - The Compliance Reports and Consultation Regulations stipulates that the officers and employees of the Group or those who receive reports from them can issue "whistle-blower reports" directly to a corporate auditor and clearly states the prohibition of job dismissal or other detrimental actions based on the actual matter of the report.
- 9) System for ensuring that other audits by the corporate auditor are conducted effectively
- a. The directors are fully familiar with the corporate auditors' audit standards that clarify the work responsibilities of the corporate auditor and fully recognize the importance of the corporate auditors' audits. In addition, they establish the audit environment.
 - b. The corporate auditors maintain close ties to the Internal Audit Division, receives timely reports on internal audit plans from the Internal Audit Division and their results, and is instrumental to efficient audits.
 - c. Through the holding of regular meetings with the accounting auditors and through their on-site presence at end-of-period audits, the corporate auditors strive to grasp and exchange information on the audit activities of the accounting auditors and puts great effort into making audit activities more efficient and achieving improvements in quality.
- 10) Matters regarding the policy for processing expenses or debt incurred in the execution of the corporate auditor work duties
- When a corporate auditor requests prepayment or reimbursement of expenses incurred in the execution of work duties, the corresponding expenses or debts will be processed except for the case in which the expenses are recognized as not necessary for the corresponding execution of corporate auditor work duties.

(2) Overview of operation status of system for ensuring the appropriateness of business operations

The overview of the operating status of the system for ensuring the appropriateness of business is as follows.

1) Matters regarding execution of work duties by directors

The Board of Directors is composed of eight directors including one independent external director. Three external corporate auditors also attend their meetings. Board of Directors meetings are held monthly. Through an active exchange of views and deliberations, decisions are made promptly concerning important matters set forth in laws and regulations and in the Articles of Incorporation and concerning Company management policy and strategy.

2) Matters regarding execution of work duties by corporate auditors

The corporate auditors attend important deliberations at the Board of Directors meeting and management meetings; review important documents on final decisions; make site visits for individual headquarters divisions, regional headquarters, and branches as well as directly operated carrier shops; hold interviews with core management officers; make site visits to overseas and domestic subsidiaries; and exchange views with representative directors of subsidiaries.

In addition, they strive to preserve close ties with the Internal Audit Division and the accounting auditors through the exchange of information and views, to carry out regular meetings for the exchange of views with the President and CEO, and to carry out appropriate communications and execution of effective audit work.

3) Items regarding compliance

The Compliance Committee meets regularly every two months to discuss various issues related to compliance, and strives for thorough and consistent compliance. As awareness activities based on the deliberations of the Compliance Committee, the following compliance training is carried out.

- Compliance training that shares lessons on past compliance concerns, centered on management workers, sales representatives, and managers of mobile phone outlets at all bases.
- Training aiming for thorough awareness of compliance manual content, covering all officers and employees
- Compliance training using e-learning and covering all officers and employees
- Compliance training using e-learning and covering all employees at agencies and branches under the T-Gaia Group; and others

In addition, the Company has put a strong effort into prompt finding and resolution of compliance risks by means of aggressive operation of an internal whistle-blowing system, a compliance awareness survey covering all company employees, and questionnaires covering business partners

4) Items regarding risk management

For the purpose of actively controlling risks and preserving and expanding corporate value, the Risk Management Regulations have been set forth, and the Risk Management Committee meets twice per year.

The T-Gaia Group strives to understand and prevent risks and has constructed a system enabling prompt and appropriate responses when a risk is manifest.

5) Items regarding management of subsidiaries

Under the principle of autonomous operation of subsidiaries, the Company, as a contributor of capital, makes an appropriate manifestation of intention concerning important matters based on the Management Regulations for Associated Companies.

In addition, reports on operation results and financial information are regularly received from the supervisory department responsible.

4. Basic Policy Regarding Control of the Company

The Company identifies important matters and continually investigates them, but in consideration of the current state of shares distribution, it has not introduced preventive measures at this time.

5. Policy Regarding Decisions on Dividends of Surplus

In response to the status of progress in business performance, the Company, while ensuring the necessary internal reserves for reinforcing future business expansion and enhancing the business foundation, has set a basic policy of returning profits to shareholders with a target cash dividend payment of 30% or greater.

Because profit attributable to shareholders of the parent company exceeded the earnings forecast, we increased the dividend by 2 yen from the forecast at the start of the fiscal year. As a result, we expect to pay a year-end dividend for the fiscal year under review of 22.50 yen per share. An interim dividend of 20.50 yen per share was paid in December of last year, making the total dividend for the year under review 43 yen per share (an increase of 5.50 yen per share over the previous fiscal year).

The policy for these internal reserve funds is to use them in expanding and enhancing the existing business foundation, human resources development, strategic investments, and entry into new businesses and overseas markets.

Reference Documents for the Annual General Meeting of Shareholders

Proposals and reference items

Item 1 Appropriation of Retained Earnings

The appropriation of retained earnings is shown below.

Matters regarding the year-end dividend

The Company believes the appropriate return of profits to shareholders to be an important business issue and aims to pay a consolidated dividend of 30% or more while also giving consideration to current period earnings and future business expansion.

Regarding the year-end dividend of the fiscal year under review, after giving full consideration to the results that net profit attributable to shareholders of the parent company exceeded the earnings forecast and to the basic policy described above, we have increased the dividend as follows.

- 1) Type of dividend property
Cash

- 2) Items regarding allocation of dividend property and its total amount
22.50 yen per common share of stock of T-Gaia Corporation
Total cash dividends of 1,547,406,968 yen
Because an interim dividend of 20.50 yen per share has been paid, the total annual dividend comes to 43 yen per share, which is an increase of 5.50 yen per share from the previous fiscal year.

- 3) Date of record of the dividends of surplus
June 23, 2016

Item 2 Appointment of 10 Directors

The term of appointment of all eight directors will end at the conclusion of this Annual General Meeting of Shareholders. In order to further enhance the corporate governance system, we wish to add two independent external directors and ask that 10 persons be selected as directors.

The candidates for director are as follows.

Candidate number	Name (date of birth)	Career summary with positions and areas of responsibility at the Company (major concurrent posts)	Number of company shares held
1	Toshifumi Shibuya (March 18, 1955)	<p>Apr. 1979 Entered Sumitomo Corporation</p> <p>Sep. 1992 Sumitomo Corporation of Americas (New York)</p> <p>Jan. 1999 Sumitomo Corporation, assistant to Legal Division Manager</p> <p>Jan. 2004 Sumitomo Corporation of Americas (New York)</p> <p>Apr. 2009 Sumitomo Corporation Director at Sumitomo Corporation of America (New York)</p> <p>Jun. 2009 North America Sumitomo Corporation Group CAO and concurrently Sumitomo Corporation of Americas (New York)</p> <p>Apr. 2010 Sumitomo Corporation, General Director of Media and Lifestyle</p> <p>Apr. 2011 Sumitomo Corporation, Executive Officer, General Director of Media and Lifestyle</p> <p>Apr. 2013 Sumitomo Corporation, Senior Director of Media Business</p> <p>Apr. 2015 T-Gaia Corporation, Assistant to the CEO</p> <p>Jun. 2015 T-Gaia Corporation, President and CEO, Executive Officer (currently)</p>	5,000 shares
2	Bunpei Katayama (February 16, 1954)	<p>Apr. 1976 Entered Sumitomo Corporation</p> <p>Apr. 2001 Sumitomo Corporation, Network Business Division, Director of Information and Communications Business</p> <p>Jul. 2004 MS Communications Co., Ltd. (now T-Gaia Corporation), External Director</p> <p>Aug. 2005 Sumitomo Corporation, Senior Director of Mobile & Broadband Business</p> <p>Oct. 2008 Sumitomo Corporation, Assistant Senior Director of Network Business</p> <p>Jul. 2009 T-Gaia Corporation Senior Corporate Executive Officer</p> <p>Oct. 2009 T-Gaia Corporation Senior Corporate Executive Officer, Director of Eastern Japan Regional Headquarters</p> <p>Jun. 2010 T-Gaia Corporation, Representative Director, Executive Vice President Responsible for the Administrative Division and concurrently Senior Director of No. 1 Administrative Unit</p> <p>Jun. 2011 T-Gaia Corporation, Director, Executive Vice President Responsible for the Administrative Division and concurrently Senior Director of No. 1 Administrative Unit</p> <p>Apr. 2013 T-Gaia Corporation, Director, Executive Vice President, Director of Western Japan Regional Headquarters</p> <p>Apr. 2015 T-Gaia Corporation, Director, Executive Vice President, Director of No. 2 Mobile Business Division and Senior Director of No. 2 Sales Division</p> <p>Apr. 2016 T-Gaia Corporation, Director, Executive Vice President, Director of No. 2 Mobile Business Unit (currently)</p>	16,500 shares

Candidate number	Name (date of birth)	Career summary with positions and areas of responsibility at the Company (major concurrent posts)	Number of company shares held
3	Nobutaka Kanaji (March 18, 1960)	<p>Apr. 1983 Entered Sumitomo Corporation</p> <p>Jun. 1988 Assigned to Jeddah, Saudi Arabia</p> <p>Apr. 1997 Sumitomo Corporation, Manager of Information and Communications Business</p> <p>Aug. 2001 Sumitomo Corporation of Americas (New York)</p> <p>Apr. 2005 CEO of Presidio STX, LLC (Santa Clara)</p> <p>Oct. 2007 Sumitomo Corporation, Director of Net Business</p> <p>Oct. 2008 Sumitomo Corporation, Director of Mobile & Internet Business</p> <p>Jun. 2013 T-Gaia Corporation, External Director</p> <p>Apr. 2014 T-Gaia Corporation, Director, Executive Vice President, Senior Director of Administrative Unit No. 1</p> <p>Apr. 2015 T-Gaia Corporation, Director, Executive Vice President, Senior Director of Corporate Strategy</p> <p>Apr. 2016 T-Gaia Corporation, Director, Executive Vice President, Senior Director of Smart Life Business and concurrently Senior Director of Solutions Business; Responsible for Network Business Division (currently)</p>	1,000 shares
4	Soichiro Tada (February 3, 1957)	<p>Apr. 1979 Entered Sumitomo Corporation</p> <p>Jul. 1992 Sumitomo Corporation (Hong Kong) Limited</p> <p>Dec. 1996 Sumitomo Corporation, Accounting Chief for Steel</p> <p>May 2002 Sumitomo Corporation, General Manager of Mechanical and Electrical Division</p> <p>Apr. 2005 Sumitomo Corporation, Vice Director of Mechanical and Electrical Division</p> <p>Jun. 2008 Sumitomo Corporation, Accounting Manager for Transport and Construction Machinery and Infrastructure</p> <p>Nov. 2009 Sumitomo Corporation, Accounting Manager for Infrastructure, Finance, and Distribution</p> <p>Apr. 2011 Sumitomo Corporation, Accounting Manager for New Industry and Infrastructure</p> <p>Apr. 2013 Sumitomo Corporation, Accounting Manager for Environment and Infrastructure</p> <p>Jun. 2014 T-Gaia Corporation Inc., Senior Corporate Executive Officer, Senior Director of No. 2 Administrative Unit</p> <p>Apr. 2015 T-Gaia Corporation Senior Corporate Executive Officer, Senior Director of Corporate Finance and concurrently Director of Risk Management</p> <p>Jun. 2015 T-Gaia Corporation, Director, Senior Corporate Executive Officer, Senior Director of Corporate Finance and concurrently Director of Risk Management</p> <p>Apr. 2016 T-Gaia Corporation, Director, Executive Vice President, Senior Director of Corporate Finance (currently)</p>	- shares

Candidate number	Name (date of birth)	Career summary with positions and areas of responsibility at the Company (major concurrent posts)	Number of company shares held
5	Tsuyoshi Konda (March 13, 1963)	<p>Apr. 1985 Entered Sumitomo Corporation</p> <p>Jul. 1992 Sumitomo Corporation (Shanghai) Limited (China), Director of Mechanical and Electrical Division</p> <p>Jul. 1998 Sumitomo Corporation, Manager of Information and Communications Project No. 1</p> <p>Jun. 2003 Sumitomo Corporation, Manager of Investment Development Department</p> <p>Oct. 2003 Sumitomo Corporation Equity Asia Limited (Hong Kong), CEO</p> <p>Apr. 2010 Sumitomo Corporation, Director of New Business Investment</p> <p>Apr. 2013 Sumitomo Corporation, Manager of Investment Development Department</p> <p>Aug. 2014 Sumitomo Corporation, Manager of Investment Development Department and concurrently Director of Information Business</p> <p>Apr. 2015 Sumitomo Corporation, Director of General Mobile Business</p> <p>Jun. 2015 T-Gaia Corporation, External Director</p> <p>Apr. 2016 T-Gaia Corporation, Director, Senior Corporate Executive Officer, Senior Director of Corporate Strategy and concurrently Director of China Business Promotion (currently)</p>	- shares
6	*Hiroyuki Koike (September 4, 1964)	<p>Apr. 1987 Entered Sumitomo Corporation</p> <p>Nov. 2008 Presidio STX, LLC (Santa Clara), Vice President</p> <p>Jun. 2009 Sumitomo Corporation of Americas (New York), Director of Business Planning</p> <p>Apr. 2014 Sumitomo Corporation, Director of Mobile & Internet Business</p> <p>Jun. 2014 T-Gaia Corporation, External Director</p> <p>Apr. 2015 Sumitomo Corporation, Director of IT Solutions Business and concurrently Head of Investment Development Division</p> <p>Apr. 2016 Sumitomo Corporation, Director, Senior Director of Network Business (currently)</p>	- shares
7	*Tetsu Fukuoka (July 25, 1968)	<p>Apr. 1993 Entered Sumitomo Corporation</p> <p>Sep. 2001 Stanford University Asia-Pacific Research Center (U.S.A.), Visiting Fellow</p> <p>Dec. 2002 Presidio Venture Partners, LLC (U.S.A.), Director</p> <p>Mar. 2009 Sumitomo Corporation, Manager of Mobile & Internet Business</p> <p>Jan. 2013 Sumitomo Corporation, Acting Director of Mobile & Internet Business</p> <p>Apr. 2015 Sumitomo Corporation, Acting Director of General Mobile Business</p> <p>Apr. 2016 Sumitomo Corporation, Director of General Mobile Business (currently)</p>	- shares

Candidate number	Name (date of birth)	Career summary with positions and areas of responsibility at the Company (major concurrent posts)	Number of company shares held
8	Masami Atarashi (September 13, 1936)	<p>Apr. 1959 Entered Shell Sekiyu K.K. (now Showa Shell Sekiyu K.K.)</p> <p>Apr. 1969 Coca-Cola (Japan) Company, Limited, Coca-Cola Brand Manager</p> <p>Apr. 1971 Coca-Cola (Japan) Company, Limited, Kansai Sales Director</p> <p>Apr. 1978 Johnson & Johnson K.K., Managing Director</p> <p>Apr. 1979 Johnson & Johnson K.K., Senior Managing Director</p> <p>Apr. 1982 Johnson & Johnson K.K., Representative Director</p> <p>May 1990 International Business Brain Co., Ltd, President and CEO (currently)</p> <p>Jun. 1992 Sara Lee Japan Ltd., President and CEO</p> <p>Jul. 1994 Sara Lee Corporation (U.S. General Headquarters), Vice President</p> <p>Apr. 1995 Philips Electronics Japan, Ltd, President and CEO</p> <p>Apr. 1999 Nihon Hallmark K.K., President and CEO</p> <p>Jun. 2011 Kenkou Corporation, External Director (currently)</p> <p>Jun. 2014 T-Gaia Corporation, External Director (currently)</p> <p>Jan. 2016 Kobayashi Metals Limited, External Director (currently)</p>	- shares
9	*Toshiya Asaba (June 12, 1962)	<p>Apr. 1989 Entered Recruit Holdings Co., Ltd.</p> <p>Apr. 1995 Internet Initiative Japan Inc., Director of Network Technology</p> <p>Mar. 1996 IIJ America Inc., Director</p> <p>Sep. 1997 Internet Multifeed Co., Director, Director of Technology</p> <p>Oct. 1998 Crosswave Communications, Inc., Director of Technology Planning</p> <p>Jun. 1999 Crosswave Communications, Inc., Director</p> <p>Jun. 1999 Internet Initiative Japan Inc., Director, Co-CTO</p> <p>Jun. 2004 Internet Initiative Japan Inc., Director and Vice President</p> <p>Jun. 2004 NTT Resonant Incorporated, Director</p> <p>Jun. 2008 IIJ Innovation Institute, Representative Director</p> <p>Apr. 2012 Stratosphere Inc, Representative Director</p> <p>Jun. 2015 IIJ Innovation Institute, Director (currently)</p> <p>Jun. 2015 Gaia Lab LLC, Representative Employee (currently)</p>	- shares

Candidate number	Name (date of birth)	Career summary with positions and areas of responsibility at the Company (major concurrent posts)	Number of company shares held
10	*Kyoko Deguchi (December 12, 1965)	<p>Apr. 1989 Entered Bain & Company Japan Incorporated</p> <p>Feb. 1998 Disney Store Japan Inc., Senior Director of Planning</p> <p>Feb. 1999 Disney Store Japan Inc., Senior Finance Director</p> <p>Mar. 2001 GE Plastics Japan Ltd, Director and CFO</p> <p>Apr. 2004 Janssen Pharmaceutica (now Ortho Neurologics) (US), Product Director</p> <p>Sep. 2005 Janssen-Cilag Pty Ltd. (Australia), Senior Director of Digestive Region, Pain, and OTC Business Division</p> <p>Jan. 2007 Janssen Pharmaceutica K.K., Assistant Senior Director of Marketing Division</p> <p>Aug. 2009 Stryker Japan K.K., Director of Global Marketing, Vice President</p> <p>Jan. 2012 Stryker Japan K.K., President and CEO</p> <p>Mar. 2013 Bellsystem24 Inc., Senior Corporate Executive Officer, Manager of President's Office and concurrently Responsible for Financial and Accounting Division</p> <p>Mar. 2014 Abbvie Japan Holdings, CEO</p> <p>Jul. 2014 Nippon Ski Resort Development, External Director (currently)</p> <p>Feb. 2015 Medical Corporation Shikiku-kai, COO (currently)</p> <p>Mar. 2016 Cookpad Inc., External Director (currently)</p>	- shares

- Notes:
1. Masami Atarashi, Toshiya Asaba, and Kyoko Deguchi are candidates for external director.
 2. Masami Atarashi and Kyoko Deguchi have extensive business experience at other companies and hold an objective point of view independent from the management team that executes operations. It has therefore been determined that they have a large contribution to make, as external directors, to the management of the Company and have been placed as candidates for external director.
 3. Toshiya Asaba has deep knowledge of the information and communications industry and holds an objective point of view independent from the management team that executes operations. It has therefore been determined that he has a large contribution to make, as external director, to the management of the Company and has been placed as a candidate for external director.
 4. Masami Atarashi is currently an external director of the Company. His term of appointment as external director will become two years at the conclusion of the Annual General Meeting of Shareholders.
 5. The Company has entered into an agreement with Masami Atarashi that limits his liability for damages of Article 423, Paragraph 1 of the Companies Act, based on Article 427, Paragraph 1 of the same act. The amount of the limitations on liability for damages based on the corresponding agreement is the amount specified in Article 425, Paragraph 1 of the Companies Act. The company plans to continue the agreement with Masami Atarashi if his reappointment is approved. The Company also plans to enter into agreements for limitations of liability with Hiroyuki Koike, Toshiya Asaba, Kyoko Deguchi, and Tetsu Fukuoka if they are selected.
 6. Masami Atarashi fulfills the requirements for independent director as stipulated by the Tokyo Stock Exchange. The Company has reported this to the exchange. If he is reappointed, the Company plans to continue his designation as independent director. Toshiya Asaba and Kyoko Deguchi also fulfill the requirements for independent director as stipulated by the Tokyo Stock Exchange. The Company plans to report this to the exchange.
 7. Nobutaka Kanaji, Soichiro Tada, and Tsuyoshi Konda are on assignment from Sumitomo Corporation, the parent company of T-Gaia Corporation.
 8. No special interest exists between each candidate for director and the Company.
 9. An asterisk (*) indicates a newly nominated candidate for director.

Item 3 Appointment of Two Audit and Supervisory Board Members

The term of appointment of Corporate Auditor Makoto Ikadai will end at the conclusion of this Annual General Meeting of Shareholders. Corporate Auditor Yoshihiro Koda passed away on October 4, 2015. Therefore, we ask that two persons be selected as corporate auditors.

We ask that Ryo Hashimoto be appointed to fulfill the term of Yoshihiro Koda. According to the Articles of Incorporation, his term will last until the completion of the term of appointment of the previous occupant.

This proposal has obtained the agreement of the Board of Auditors meeting in advance.

The candidates for corporate auditor are as follows.

Candidate number	Name (date of birth)	Career summary with positions and areas of responsibility at the Company (major concurrent posts)	Number of company shares held
1	*Naoya Okutani (May 16, 1960)	Apr. 1983 Entered Sumitomo Corporation Sep. 1991 Sumitomo Corporation, Automobile No. 5 Division (Irvine) May 1993 Sumitomo Corporation (Singapore) Aug. 1999 Sumitomo Corporation, Information and Communications No. 2 Business, Assistant to the Director Apr. 2001 Sumitomo Corporation, Assistant to the Director, Internet Business Jun. 2005 Sumitomo Corporation, Corporate Coordination Office, Corporate Communications Division, Assistant to the Director Apr. 2008 Sumitomo Corporation, Corporate Coordination Group, Corporate Communications Division, Vice Director Jan. 2013 Sumitomo Corporation, Corporate Coordination Group, Director of the Environmental Affairs and CSR Apr. 2015 T-Gaia Corporation, Senior Corporate Executive Officer, Senior Director of Smart Life Business and concurrently Director of Smart Service Promotion Apr. 2016 T-Gaia Corporation, Senior Corporate Executive Officer, Assistant to the CEO (currently)	- shares

Candidate number	Name (date of birth)	Career summary with positions and areas of responsibility at the Company (major concurrent posts)	Number of company shares held
2	*Ryo Hashimoto (December 6, 1959)	<p>Apr. 1982 Entered Sumitomo Corporation</p> <p>Apr. 1992 Sumitomo Corporation, Finance Division, Assistant to the Director of Accounting for the Steel Division</p> <p>Dec. 1996 Sumitomo Corporation Europe Limited (London)</p> <p>Jun. 2000 Sumitomo Benelux S.A./N.V. (Brussels)</p> <p>Jun. 2003 Sumitomo Corporation, Human Resources & Information Group, Market Operations Division, Assistant to the Director</p> <p>Dec. 2003 Sumitomo Corporation, Corporate Coordination Office, Secretarial Division, Assistant to the Director</p> <p>Sep. 2008 Sumitomo Corporation, Corporate Coordination Group, Director of the Secretarial Division</p> <p>Jun. 2011 Sumitomo Corporation, Financial Resources Group, Director of Financial Operations</p> <p>Mar. 2013 Sumitomo Corporation, Financial Resources Group, Director of Corporate Accounting and concurrently Assistant to the Director of the Financial Resources Group, and concurrently Sumitomo Shoji Financial Management Co., Ltd.</p> <p>Apr. 2015 Sumitomo Corporation, Corporate Division, Director of Corporate Accounting and concurrently Sumitomo Shoji Financial Management Co., Ltd. (currently)</p>	- shares

- Notes: 1. No special interest exists between each candidate for corporate auditor and the Company.
2. If the appointments of Naoya Okutani and Ryo Hashimoto as corporate auditors are approved, the Company plans to enter into an agreement for limitations of liability with both persons.
The amount of the limitations on liability for damages, based on the corresponding agreements, is expected to be the amount specified in Article 425, Paragraph 1 of the Companies Act.
3. Naoya Okutani and Ryo Hashimoto are on assignment from Sumitomo Corporation, the parent company of T-Gaia Corporation.
4. At the conclusion of this Annual General Meeting of Shareholders, Naoya Okutani will leave his position as senior corporate executive officer of the Company.
5. An asterisk (*) indicates a newly nominated candidate for corporate auditor.

Item 4 Appointment of One Alternate Audit and Supervisory Board Member

To provide for the case in which the number of corporate auditors becomes less than the number stipulated in laws and regulations, we ask that you select one alternate corporate auditor in advance.

This proposal has obtained the agreement of the Board of Auditors meeting in advance.

The candidate for alternate corporate auditor is as follows.

Name (date of birth)	Career summary with positions and areas of responsibility at the Company (major concurrent posts)	Number of company shares held
Makoto Ikadai (March 30, 1954)	Apr. 1977 Entered Sumitomo Corporation Sep. 1989 PT. Sumitomo Indonesia, Acting Director of Jakarta Head Office Mar. 1994 Sumitomo Corporation, Investment Business Group, Assistant to the Director of Business Planning Mar. 1999 Sumitomo Corporation, Consumption Distribution Business, Assistant to the Director Dec. 2002 Mammy Mart Co. Ltd., Director, Director of Finance Oct. 2004 Sumitomo Corporation, Director of Consumption Distribution Business Apr. 2009 Sumitomo Corporation, Assistant to the General Director of Media & Lifestyle Jun. 2012 T-Gaia Corporation, Full-time External Corporate Auditor (currently)	- shares

- Notes:
1. No special interest exists between the candidate and the Company.
 2. Makoto Ikadai is a candidate to fill a vacancy for external corporate auditor.
 3. Makoto Ikadai has occupied the position of external corporate auditor since June 2012. Based on his cultivated expertise and experience, it has been determined that he appropriately executes work duties of an external corporate auditor of the Company.
 4. If Makoto Ikadai assumes the position of corporate auditor, the Company plans to enter into an agreement with him for limitations of liability.
The amount of the limitations on liability for damages, based on the corresponding agreements, is expected to be the amount specified in Article 425, Paragraph 1 of the Companies Act.
 5. Makoto Ikadai is currently an external corporate auditor of the Company. His term of appointment as corporate auditor will become four years at the conclusion of this Annual General Meeting of Shareholders. His term of appointment will expire at the conclusion of this Annual General Meeting of Shareholders and he will leave the position of corporate auditor.