

Consolidated Financial Results for FY ended March 2015

May 19, 2015



Mobile Telecommunication Business



Solution Marketing Business



Settlement Service & 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

Outline of Consolidated Financial Results for FY ended March 2015

Corporate Slogan for FY ended March 2015

“Thorough Hands-on Approach”
“Realization of Smartphone World”

Advancing to the Next Stage



Summary of Consolidated Financial Results

(Unit:0.1 billion yen)	14/3 Results	15/3 Results	y/y Change	15/3 Initial Forecasts	Achievement Ratio	15/3 Revised Forecasts(*)	Achievement Ratio
Net Sales	7,070.0	6,420.9	90.8%	7,200.0	89.2%	6,420.9	100.0%
Gross Margin	633.1	619.8	97.9%	650.0	95.4%	—	—
(to Net Sales)	9.0%	9.7%	+0.7 p	9.0%	+0.7 p	—	—
SGA Expenses	505.5	476.7	94.3%	520.0	91.7%	—	—
Operating Income	127.6	143.0	112.1%	130.0	110.0%	143.0	100.0%
(to Net Sales)	1.8%	2.2%	+0.4 p	1.8%	+0.4 p	2.2%	—
Ordinary Income	126.6	141.9	112.1%	128.0	110.9%	141.9	100.0%
(to Net Sales)	1.8%	2.2%	+0.4 p	1.8%	+0.4 p	2.2%	—
Net Income	68.3	77.4	113.3%	72.5	106.9%	77.4	100.0%
(to Net Sales)	1.0%	1.2%	+0.2 p	1.0%	+0.2 p	1.2%	—

※ Initial Forecasts have been revised as of May 8, 2015.

Quarterly Gross Margin & Operating Margin Ratio

Gross Margin & OPM Ratio

SGA Expenses

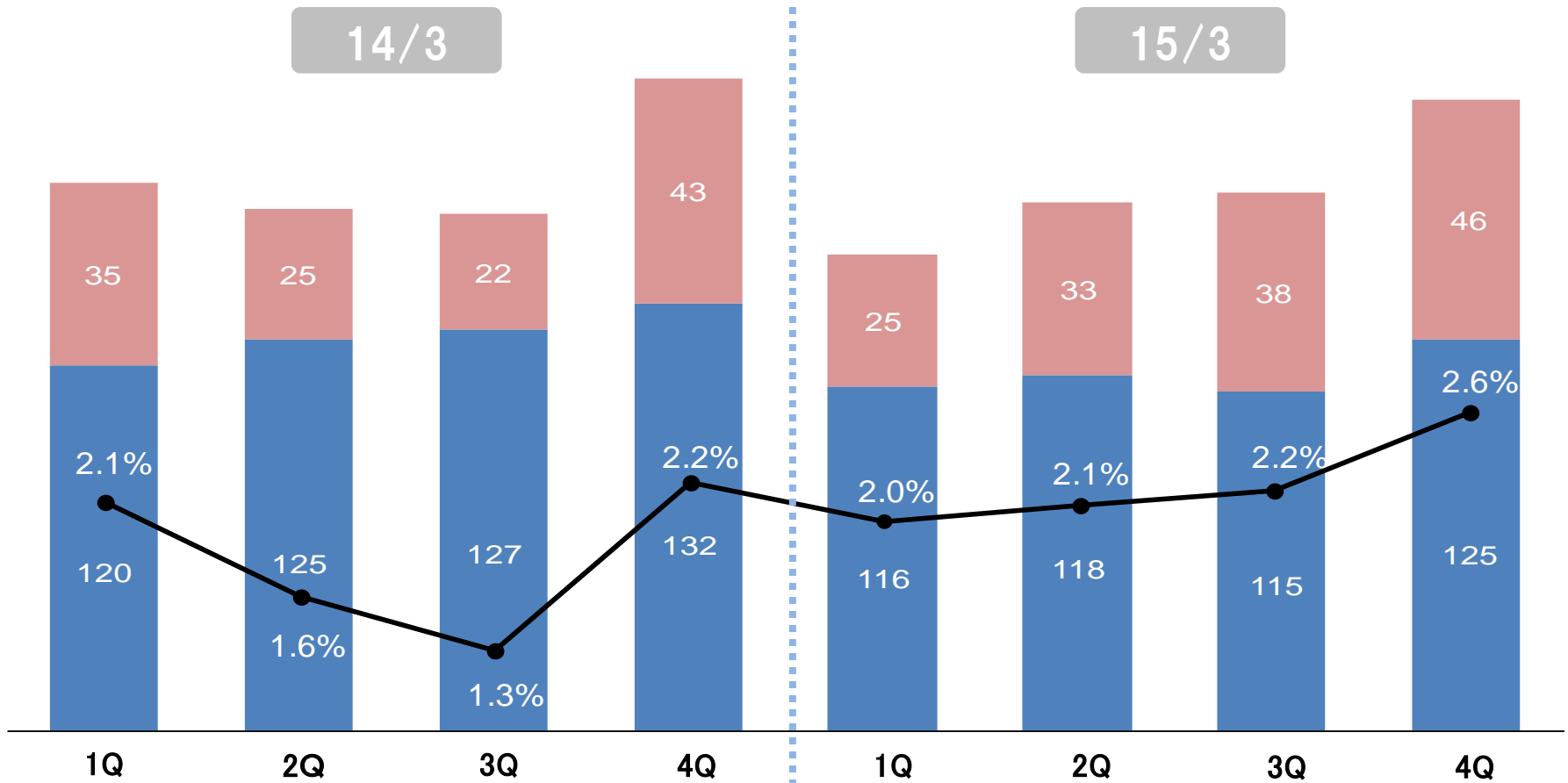
Operating Income

OPM Ratio

(0.1 billion yen)

14/3

15/3



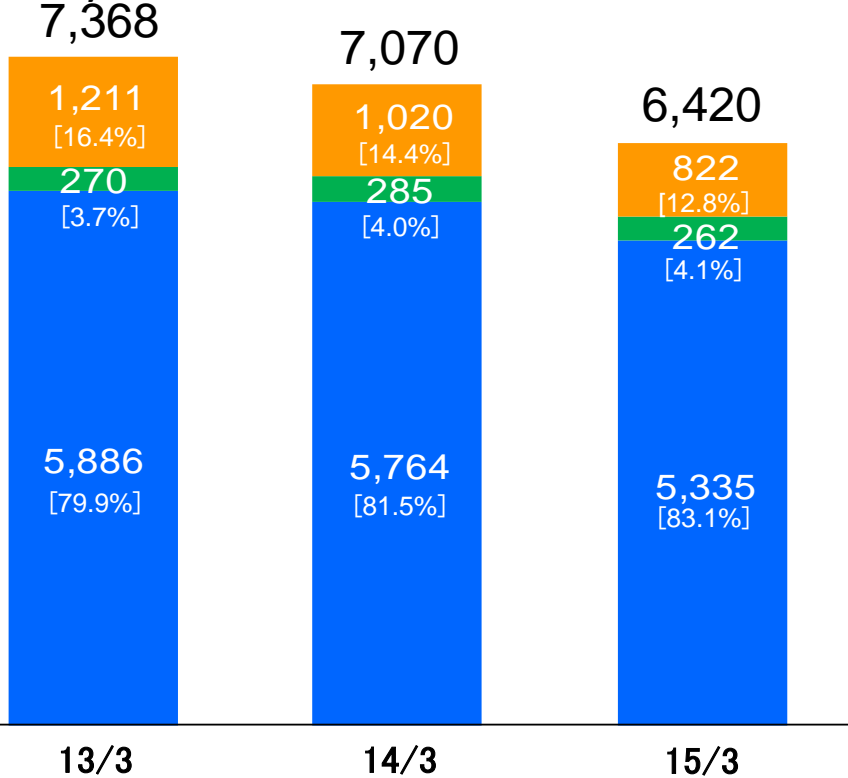
Profit level & OPM Ratio have been on a rising trend by means of the company-wide structural reform

Financial Results by Business Segment

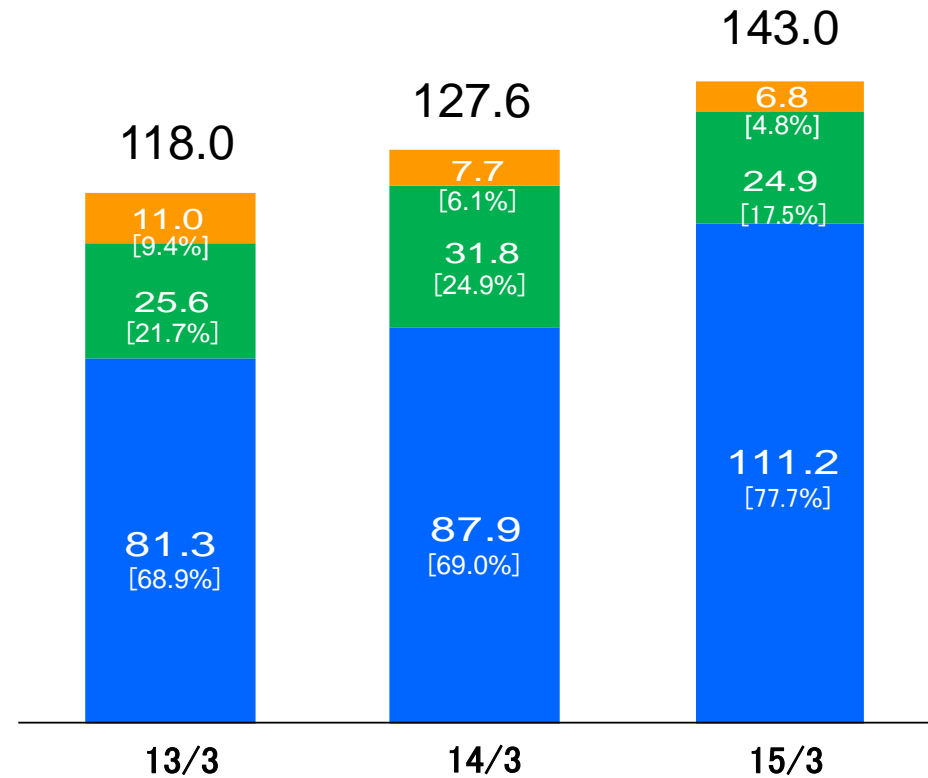
Net Sales

■ Mobile-phone Business
 ■ Solution Business
 ■ Settlement Service Business

(0.1 billion yen)



Operating Income



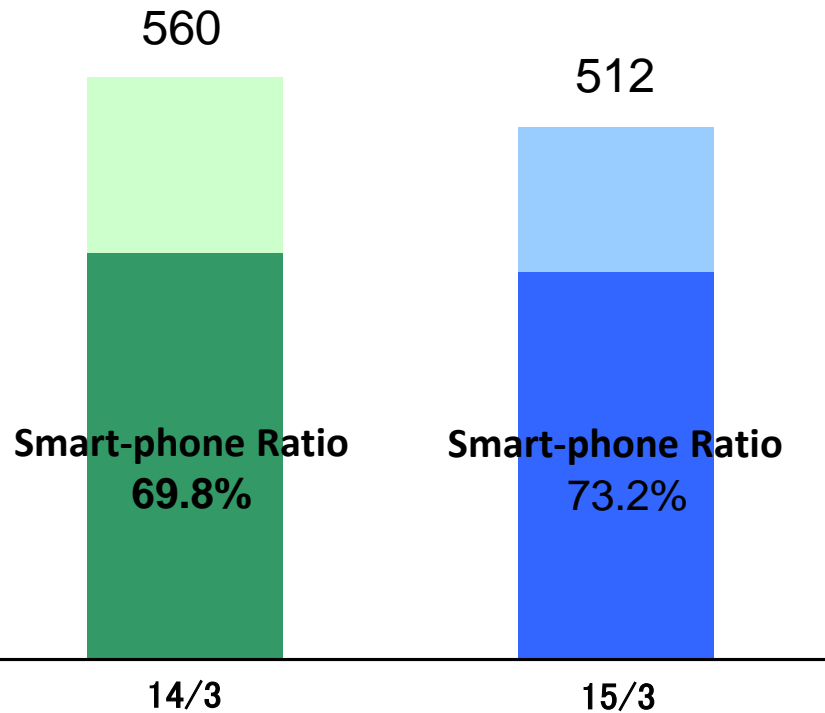
Net sales decreased due to decline of mobile-phone sales volume and difference of calculation method between PIN products & Gift Cards in Settlement Service

Operating income has improved through the structural reform including company-wide promotion of operational efficiency

Company-wide Unit Sales

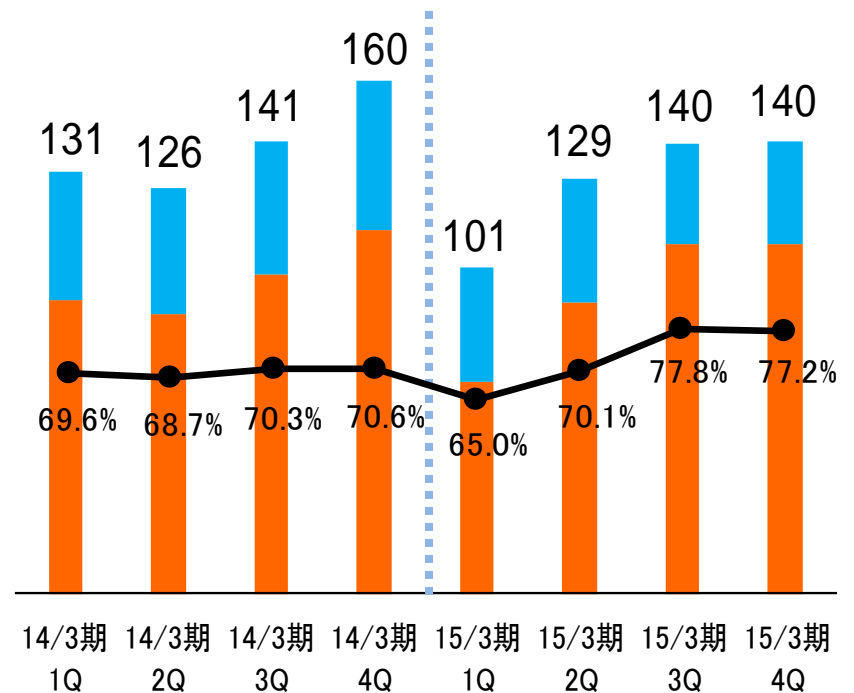
Mobile-phone Unit Sales

(10 thousand units)



Unit Sales on a Quarterly basis

■ Smart-phone Unit Sales
 ■ Feature-phone Unit Sales
● Smart-phone Ratio
 (10 thousand units)



※ Including Wi-Fi models

Though unit sales decreased mainly due to the backlash after the demand rush at the end of the previous fiscal year, started on a recovery trend since the June 2015

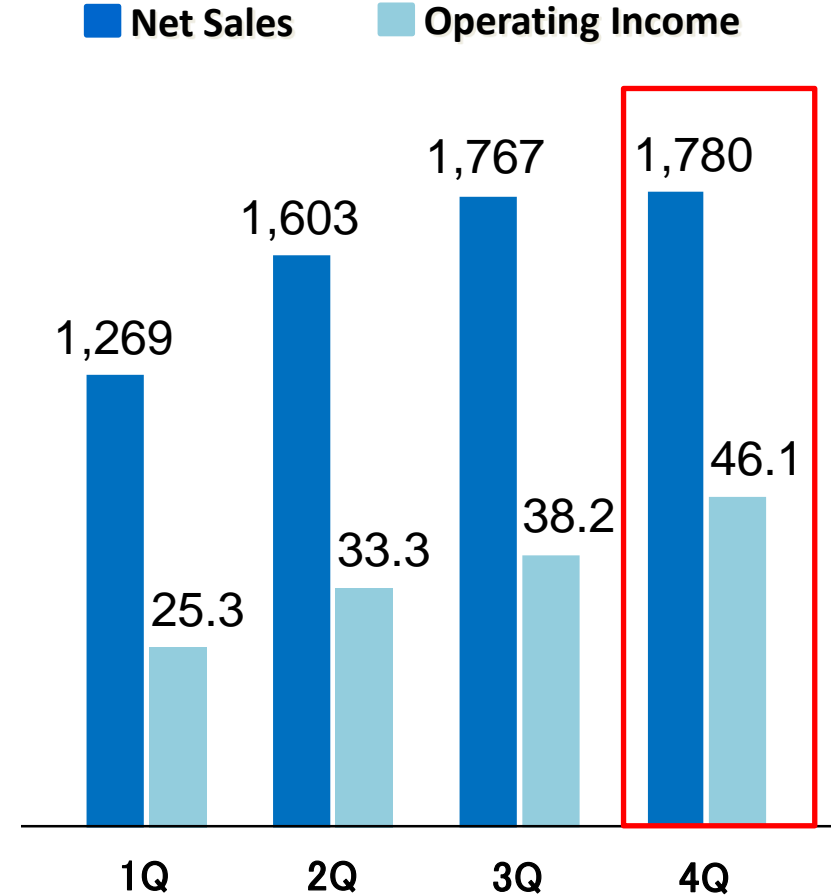
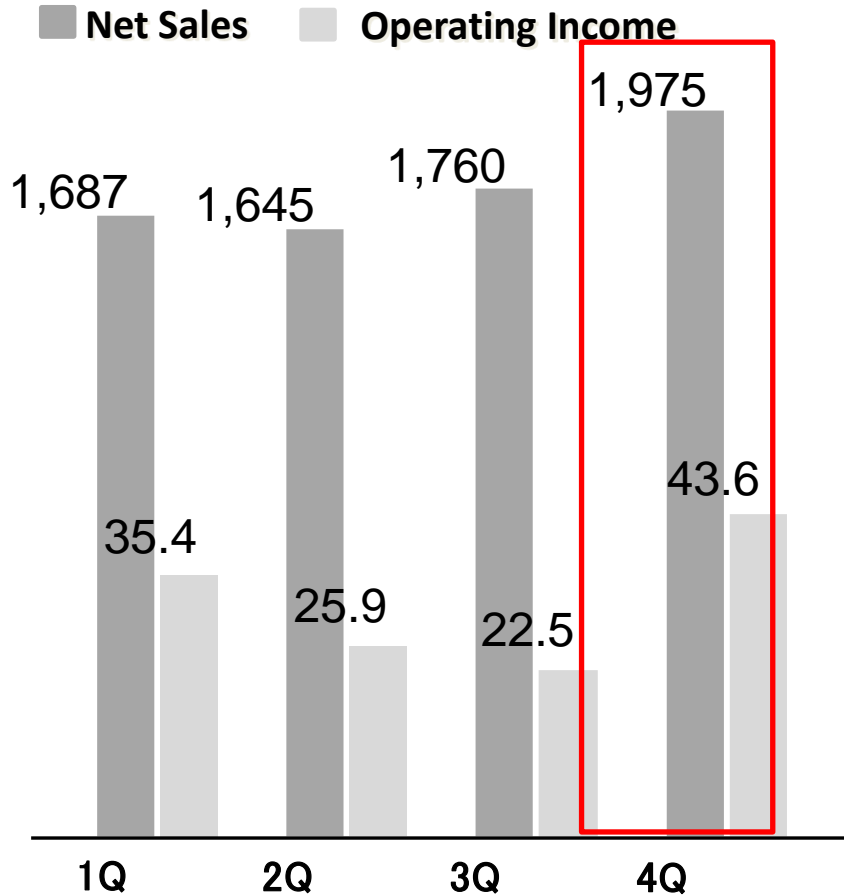
Comparison on a Quarterly basis

Quarterly Comparison

(0.1 billion yen)

14/3

15/3

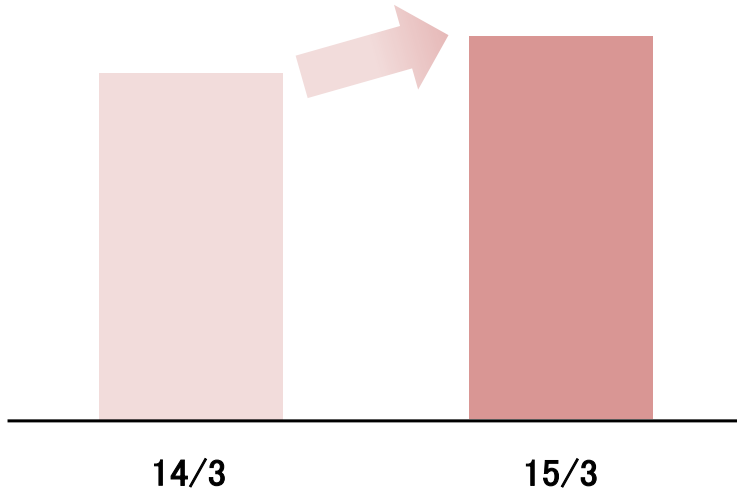


15/4Q VS 14/4Q: Operating Income Increased by Approx. 6 %

Positive Effect of Structural Reform

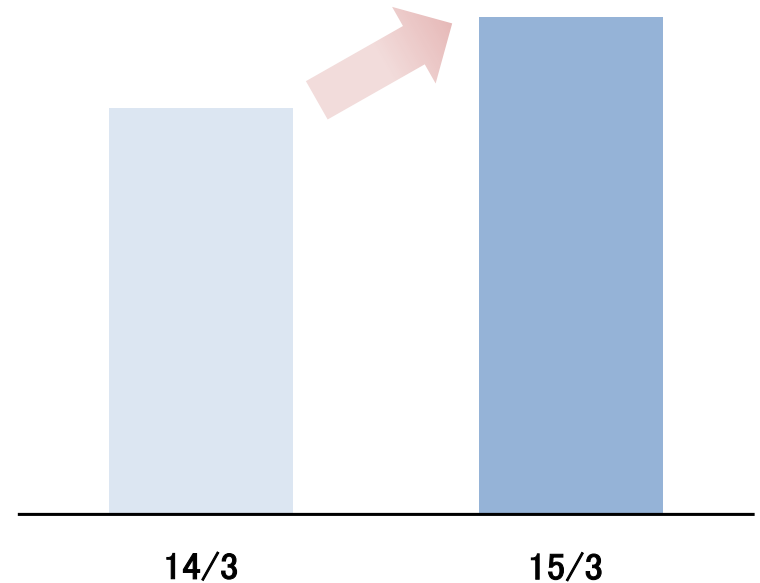
Personnel expenses per head

Increased by
Approx. 7%



Gross margin per head

Increased by
Approx. 10%



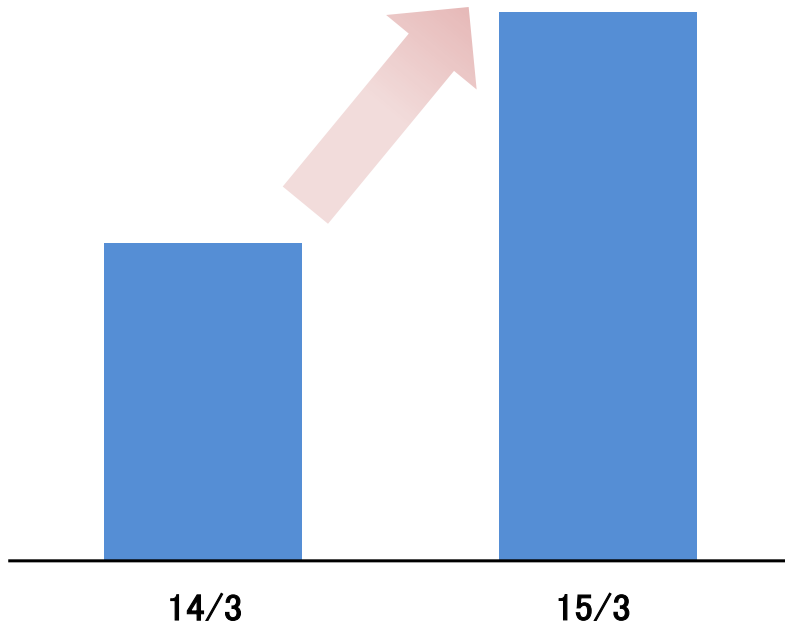
Strengthened investment in human resources incl. intensive training
& switch to permanent employees from temporary staff

Productivity per head improved drastically

Tablet Unit Sales & Net Sales of Related Products

Tablet Unit Sales

Increased by
Approx. 70%



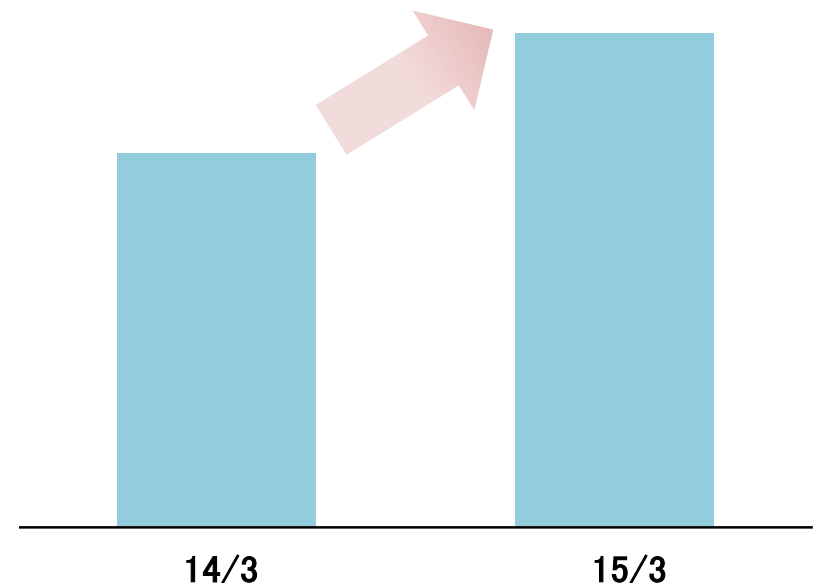
※ Including Wi-Fi models

Increased by approx. 70%
on a year-on-year basis

Net Sales of Related Products

* Related Products : Accessory for Smart Device, etc.

Increased by
Approx. 30%



Increased by approx. 30%
on a year-on-year basis



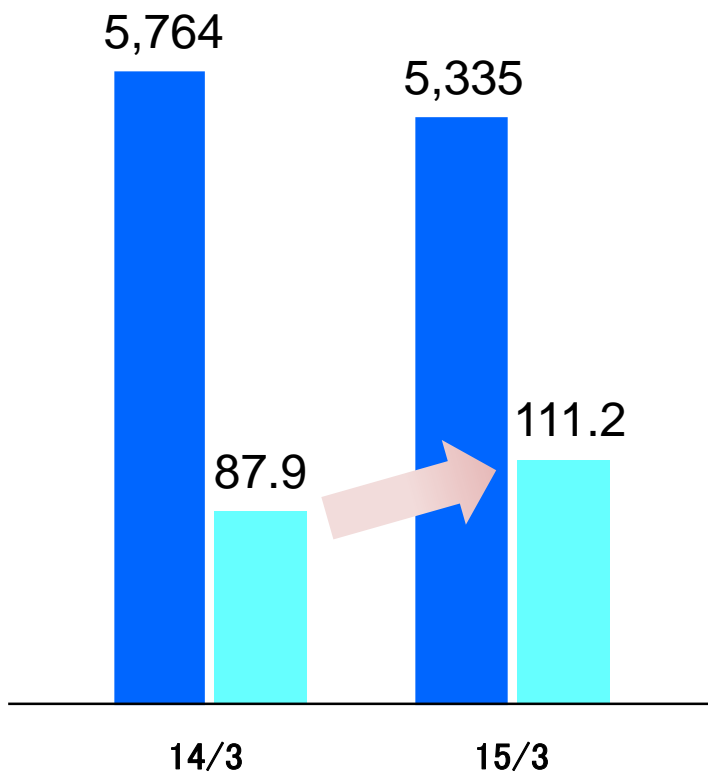
Mobile-phone Business

Financial Results Comparison

Net Sales

Operating Income

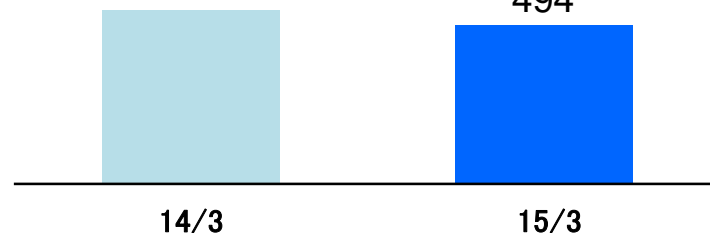
(0.1 billion yen)



Mobile-phone Unit Sales

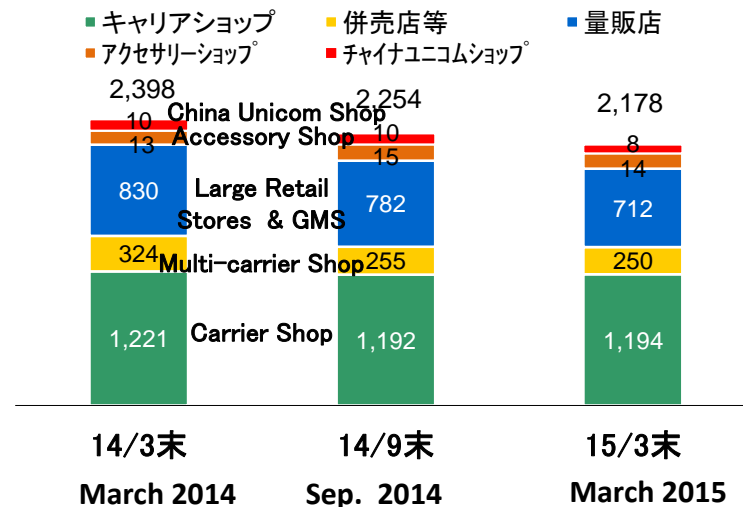
(10 thousand units) 538

494



※ Including Wi-Fi models

Total No. of Sales Bases



- Net sales decreased due to decline of sales volume
- Operating income increased due to expansion of sales of smart-phone related products & tablets as well as the effect of the structural reform



Proactive Investment in HR

Training Program Provided by TG Academy

Purpose	Category	Name of Program
Improvement of Basic Customer Service Level	Basic training	Intensive training for newly hired staff (at Tokyo Head Office)
		Mid-carrier staff training
		Customer service training
		Service quality improvement training
	Stratified training	Training for sub-shop managers, leaders and chiefs
		Training for shop managers
	Response capabilities	Readiness improvement training
	Preparation for qualifying test	Training for passing qualifying test conducted by telecom carriers
Improvement of Sales Skills	Floor management	Floor management training
	Sales skills improvement	Sales skills improvement training

Staff Organization of TG Academy

7
Instructors

Cultivation of Supervisors as Education/Training specialist

55
Supervisors

Provision education/training for Trainers in our corporate/regional headquarters & branch offices

292
Trainers

Provision education/training in each shop
Deployed one trainer at every directly-managed shop

※As of Dec. 31, 2014



Intensive training for newly hired staff (at Tokyo Head Office)

Carrying out group training sessions for sales staff exceeding 200 times (more than doubled from the previous year) based on the systematic program



Latest Activities



- Opened POP-UP STORES ※期間限定ショップ

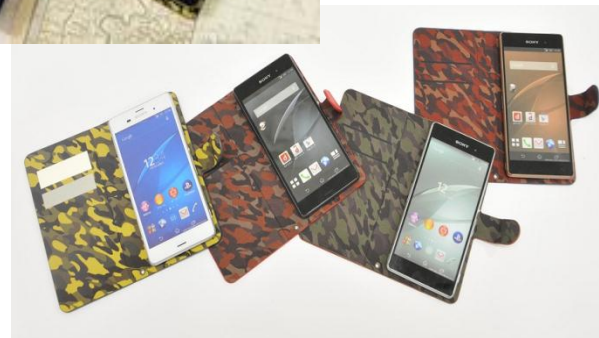
- Launched original smart-phone cases with T-Gaia brand



In collaboration with apparel business



- Advertising & promotional activities utilizing SNS

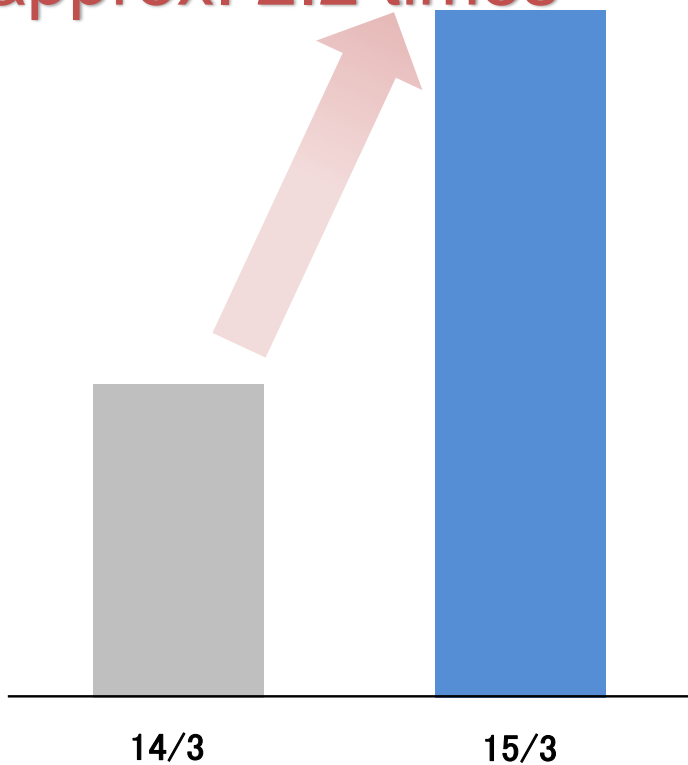




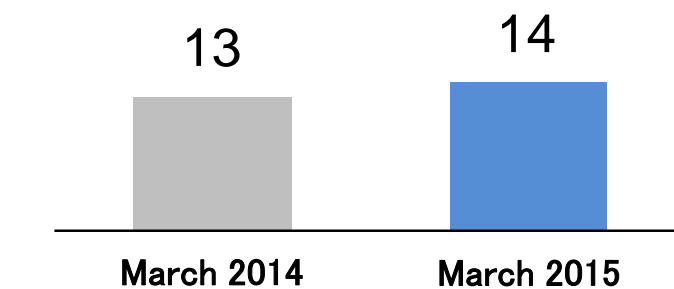
Net Sales in Accessory Shops

Net Sales

Increased by
approx. 2.2 times



No. of Accessory Shops



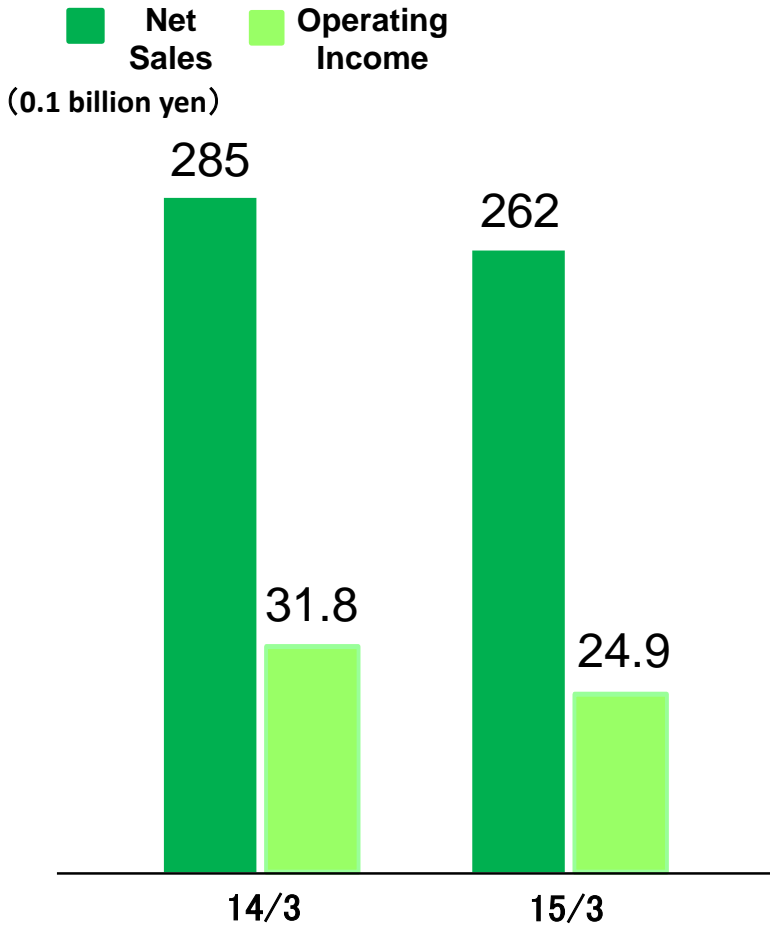
※ Including EC sites

Popular Products

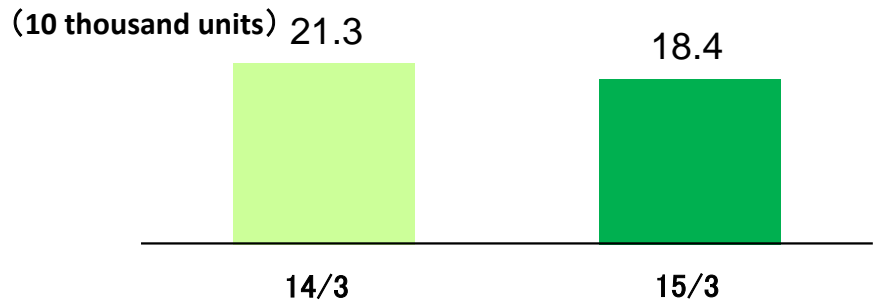


Net Sales increased by approx.
2.2 times on a year-on-year basis

Financial Results Comparison

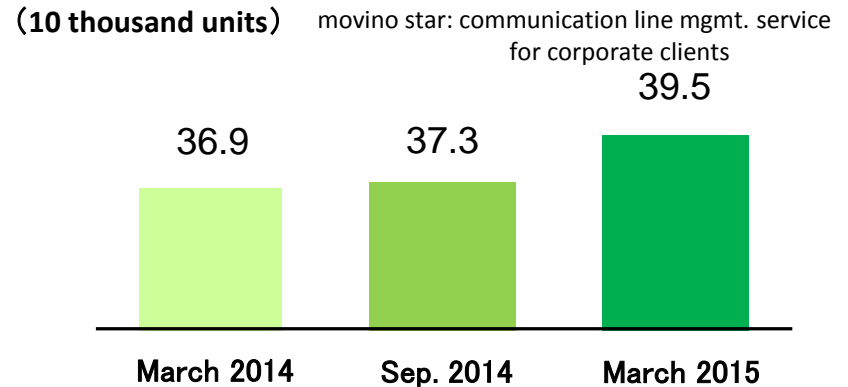


Mobile-phone Sales Unit



※ Including Wi-Fi tablets

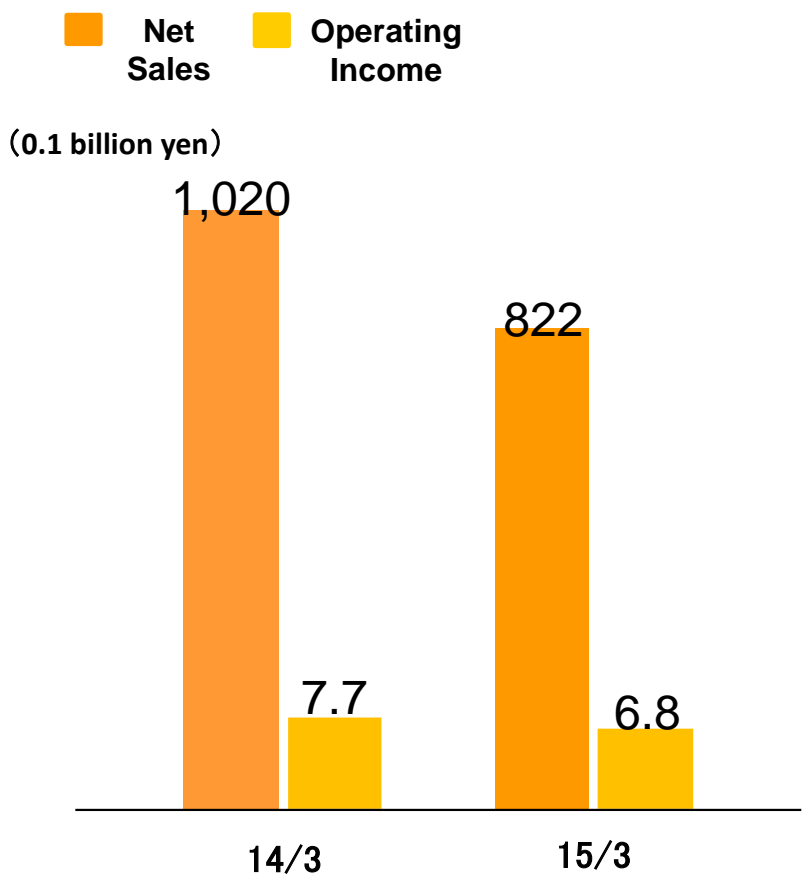
Total No. of lines subscribing to movino star service



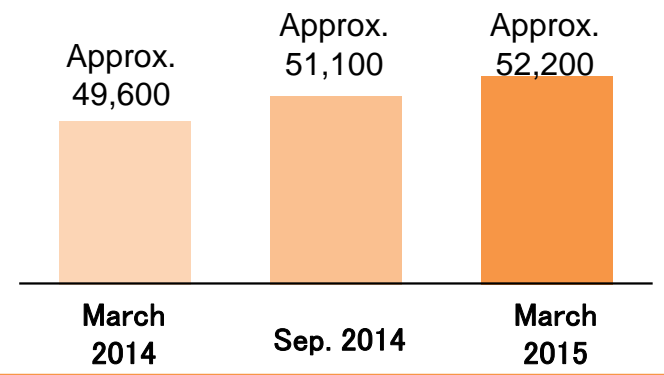
Solution services for corporate clients including movino star showed good performance though operating income decreased due to weakness of Fixed-line business

Settlement Service Business

Financial Results Comparison



Total No. of Convenience stores dealing PIN/Gift Cards



Products sold through our sales channel



※Amazon.co.jp logo is a trademark of Amazon.com, Inc. in the United States and/or other countries.
 ※BitCash is the trademark of BitCash Inc.

- Net sales decreased mainly due to shift from PIN products for which face value is regarded as net sales to Gift Cards that treat only received commissions as sales amount
- Operating Income decreased partially due to sluggish sales of e-money related products and aggressive investment in overseas business

China: Shanghai

- Operating Eight China Unicom Shops (As of March 30, 2015)
- Newly made an agency agreement with China Mobile, the largest telecom carrier in China, and expanded the function of our “Support Desk for corporate clients” through multi-carrier service
 - Increased the No. of our corporate clients to approx. 100 in Shanghai (As of March 30, 2015)



Singapore

- Total No. of stores dealing Gift Cards in Singapore (As of March 30, 2015)
- Gross sales have been steadily grown owing to expansion of product lineups for Gift Cards

● Gross Sales of Gift Cards in Singapore



(Launched in Feb. 2014)

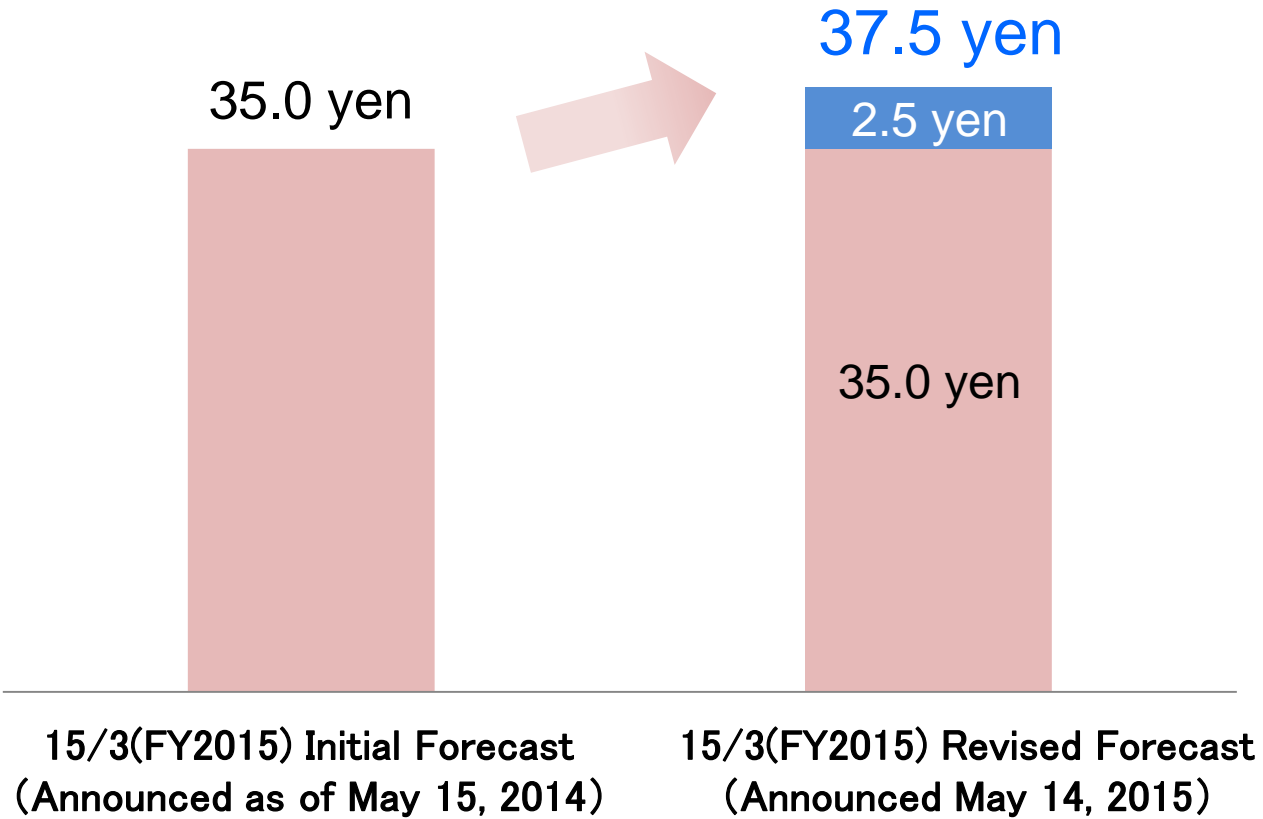


Revision of Dividend Forecast : Dividend Increase

15/3 (FY2015) Yearend Dividend

Increase the yearend dividend per share by 2.5 yen

15/3 (FY2015) Annual Dividend per share



Establishment of National Association of Mobile-phone Distributors

National Association of Mobile-phone Distributors

Advance in Technology

- Sophisticated mobile-phones
- Complicated service

Social Infrastructure

- No. of sales base for mobile-phones nationwide :
Approx.16,000
- No. of sales staff for mobile-phones nationwide :
Approx. 120 thousand

Industrial Issue

- Reduction of customer complaint
- Creation of safe & secure environment for customers
- Easy-to-understand explanations from the view point of customers



(Logo Mark)

- Name : National Association of Mobile-phone Distributors (NAMD)
- Date of Establishment : December 15, 2014
- Location : 3F of 6th Ito Bldg., 4-4-7, Ebisu, Shibuya-ku, Tokyo

**Contribute to realizing telecom infrastructure
at the highest global level**

Forecasts for Consolidated Financial Results for FY ending March 2016 & Future Development

New Corporate Philosophy

T G Vision – Corporate Vision of T-Gaia

**Lead the Way toward the Future
& Take a Leap for Tomorrow**



T G Mission

– Corporate Mission of T-Gaia –

- T-Gaia will propose new ways of communication to provide our customers with excitement, delight, and safety.
- T-Gaia will thank its employees as well as their families and provide them with equal opportunities and rewards to challenge something new.
- T-Gaia will develop strong relationships with all the business partners and seek for mutual benefit under the fair and healthy conditions of business transaction.
- T-Gaia will contribute to all societies and regional communities through our global business activities.
- T-Gaia will thank all the stakeholders including our shareholders for their trust and confidence in our practice, and keep enhancing our corporate value.
- As a leading company in the industry, T-Gaia will go ahead of change of the times to develop new markets in addition to expanding our existing businesses.

T G Action

– Our Code of Conduct –

- We always act with a customer-driven attitude.
- We provide the highest-quality service to be appreciated by everyone.
- We keep moving ourselves higher as professionals.
- We respect and compete with each other to develop our infinite potentials.
- We seek for open & constructive communication.
- We value teamwork to achieve the best performance.
- We always act on high ethical standards and strengthen our compliance structure.
- We are not satisfied with our current situation; we keep challenging something new aggressively with our passion and a sense of speed.

Change of Business Environment

Future Topics

Items

- Accessory
- Wearable device

Players

- MVNO、FVNO

Market

- Hikari collaboration
- Liberalization of electric power & gas

Rules

- Unlocked SIM
- Initial contract cancellation system

Drastic change of business environment

Consolidated Forecasts for FY ending March 2016

(Unit : 0.1 billion yen)	15/3 Full-year Results	16/3 Full-year Forecasts	Change of Amount	Year-on-Year basis (%)
Net Sales	6,420.9	6,550.0	129.1	102.0%
Gross Margin	619.8	635.0	15.2	102.4%
SGA Expenses	476.7	485.0	8.3	101.7%
Operating Income	143.0	150.0	7.0	104.8%
Ordinary Income	141.9	149.0	7.1	105.0%
Net Income	77.4	90.0	12.6	116.2%
Net Income/share (yen)	112.68	130.86	18.18	116.1%
Dividend /share (yen)	37.50	41.00	3.50	109.3%
Total No. of mobile-phones to sell	512	530	18	103.5%

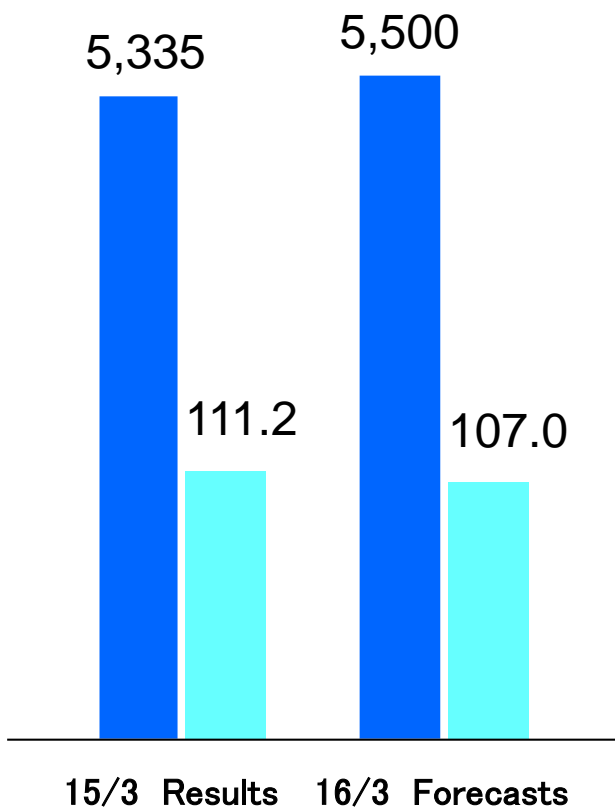


Mobile-phone Segment Forecasts

Full-year Forecasts

Net Sales Operating Income

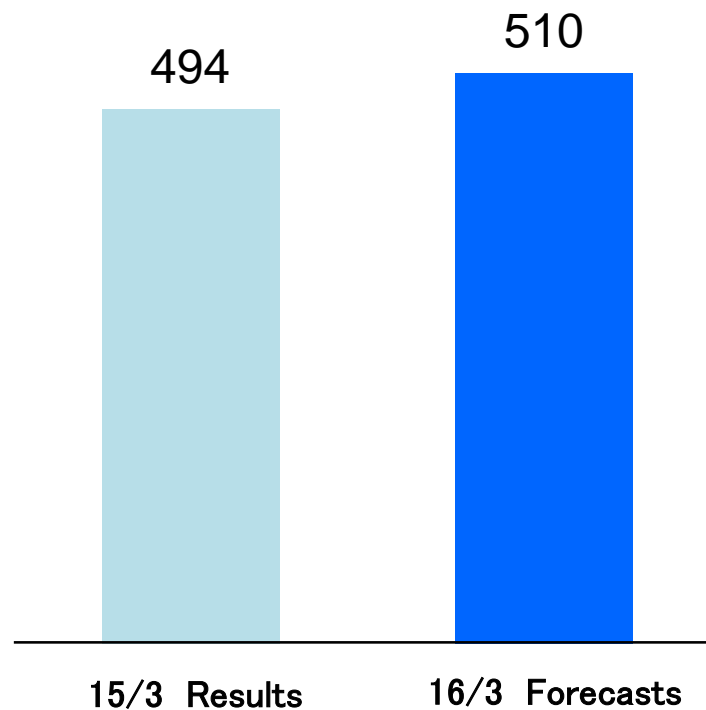
(0.1 billion yen)



Unit Sales Forecasts

(10 thousand units)

※ Including Wi-Fi models





Future Action Plan

Provision of One-Stop
Service

Provide customers with telecom infrastructure comprehensively including optical fiber service, tablets and products related to smart device, etc.

Strengthening of
TG Group

As a leading company in the industry, share our know-how on sales skills & staff education with agent distributors among TG group

Investment in Carrier
Shops & HR

Continue to invest in carrier shops as well as sales staff, which will become more important, to realize the world – beating IT society in Japan

Further Promotion of
Efficiency

Further improve productivity per head by promoting operational & cost efficiency more through the ongoing structural reform



Contribute to realizing ICT
nation toward 2020s



Promotion of Accessory Shop Business

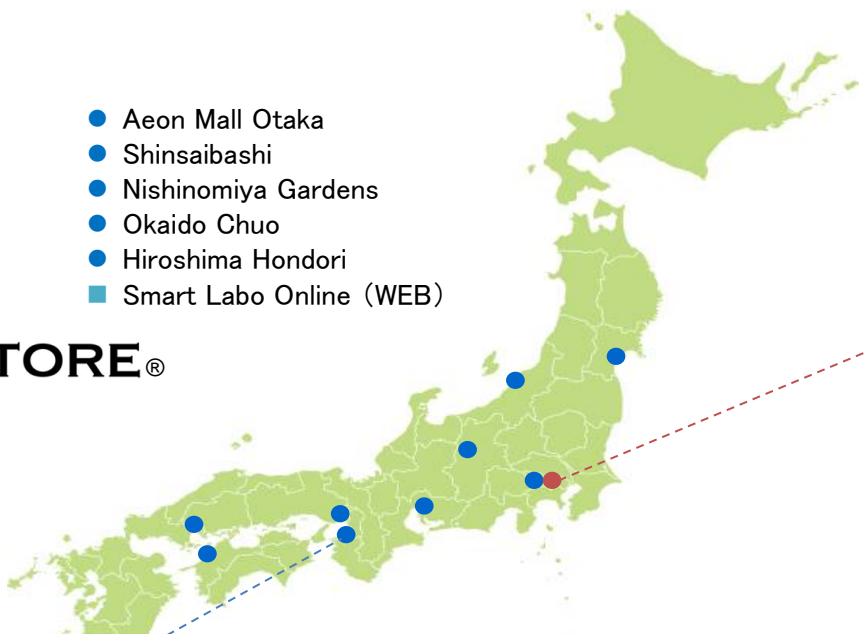
Smart Labo

- Sendai Clisroad
- Lovla2
- Matsumoto PARCO
- ATRE Akihabara
- ATRE Kameido
- Smart Labo Rakuten (WEB)
- Aeon Mall Otaka
- Shinsaibashi
- Nishinomiya Gardens
- Okaido Chuo
- Hiroshima Hondori
- Smart Labo Online (WEB)



APPBANK STORE®

- Shinjuku
- Harajuku



AppBank Store Shinjuku



Smart Labo Shinsaibashi

Realization of “Smart-phone World”

- Concentrate new business in Smart Life Business Division
- Expand the product lineup in consideration of the change of business environment
- Aim at increasing accessory shops to 40 at an early date

Launch “Smart Spots” nationwide to provide all customers with abundant “Smart Life”



Establishment of Career Design Academy



T-GAIA (TG Academy)

- Know-how on Staff Education & Training cultivated by “TG Academy”
- Know-how on Mobile-phone Sales & Shop Operation



ジェイコムグループ

- Provision of the highest level of temporary staffing service in the industry
- Abundant experience in HR field

Combine Know-how & Experience in Staff Education of Both Companies



CAREER DESIGN ACADEMY

- Corp. Name : Career Design Academy Co., Ltd.
- Establishment : April 1, 2015
- Shareholders : T-Gaia Corp. (80%)
J-COM Holdings (20%)
- Business : Provision of various staff education & training programs & consulting service

Objectives

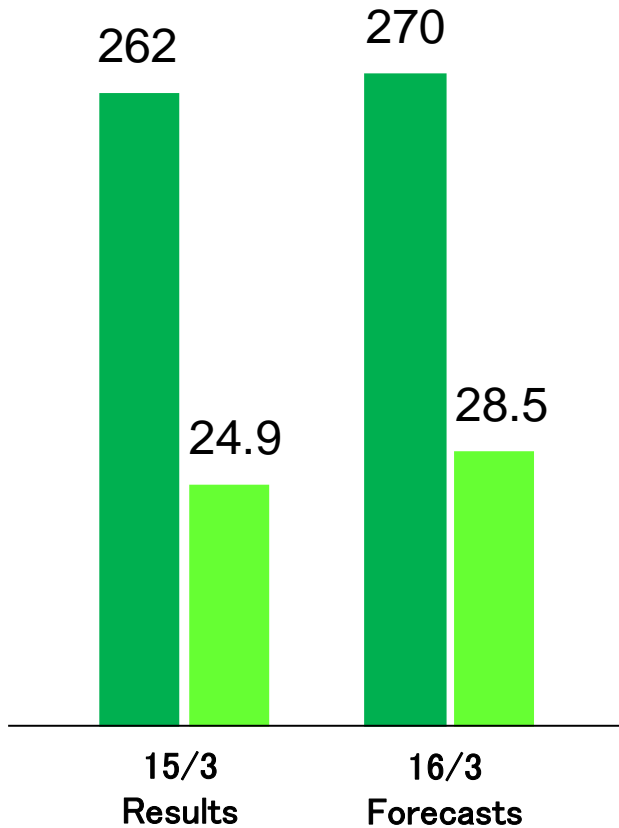
- Contribute to the development of the industry by maximizing synergy effect in TG Group as a whole
- Expand new income sources other than mobile-phone sales
- Promote realization of “Smart-phone World”

Proactive investment in HR education, which will become more important

Full-year Forecasts

■ Net Sales ■ Operating Income

(0.1 billion yen)



Future Action Plan

Mobile Solution Business for Corporate Clients

- Offer a comprehensive solution service optimized to corporate clients' needs to support them to introduce & utilize smart device
- Extend customer base by improving convenience & CS among corporate clients through upgraded movino star (※)

※ movino star: telecommunication line mgmt. service

Fixed-line Business

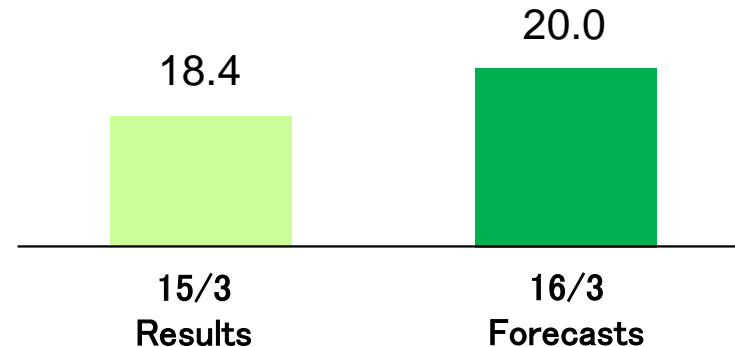
- Expand diversified optical fiber services



Mobile-phone Sales Units (Forecasts)

(10 thousand units)

※ Including Wi-Fi models





Provision of Solution Package “T-GAIA Smart SUPPORT” to Suit Needs of Corporate Clients

Five Solution Services Offered by T-Gaia Corp.

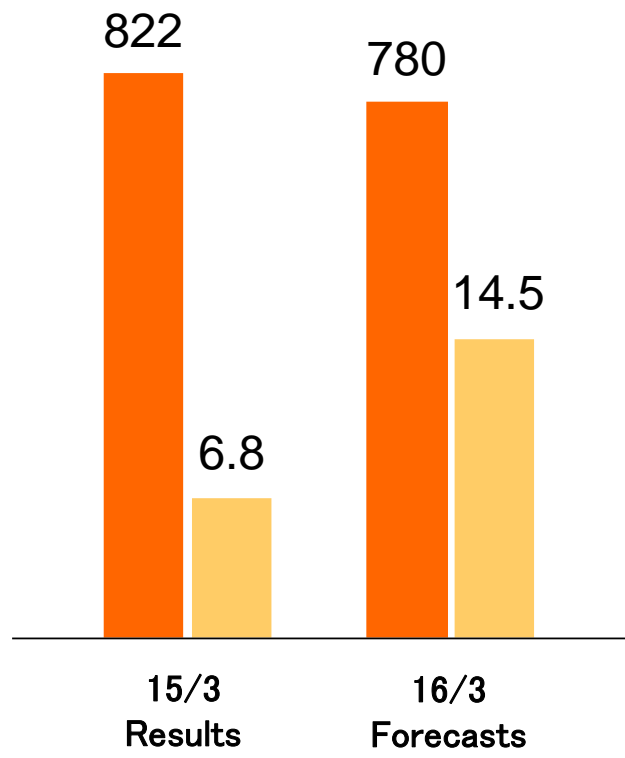
● Help Desk	Enable administration to reduce their workload by handling employee inquiries on their behalf
● Security Desk	Provide security measure 24 hours a day & 365 days a year
● Kitting Service	Enable one to use a mobile terminal without an initial setup
● Consulting Service	Optimize communication costs as well as help analyze cost reductions
● Master Management Service	Perform a variety of administration duties on behalf of clients

Support Corporate Clients Introducing & Utilizing Smart Device with Comprehensive Solution Service

Full-year Forecasts

Net Income Operating Income

(0.1 billion yen)



Future Action Plan

Settlement Service Business

- Broaden both product lineup & sales channel based on the growing demand for Gift Cards to expand sales
- Develop new products such as House Cards

Overseas Business

- Mobile-phone Distribution Business in Shanghai
 - Promote increase of income by utilizing Japanese high-quality service & products taking advantage of introduction of full-fledged 4G service
 - Extend customer base through multi-carrier service
- Settlement Service Business in Singapore
 - Expand the product lineup of Gift Cards

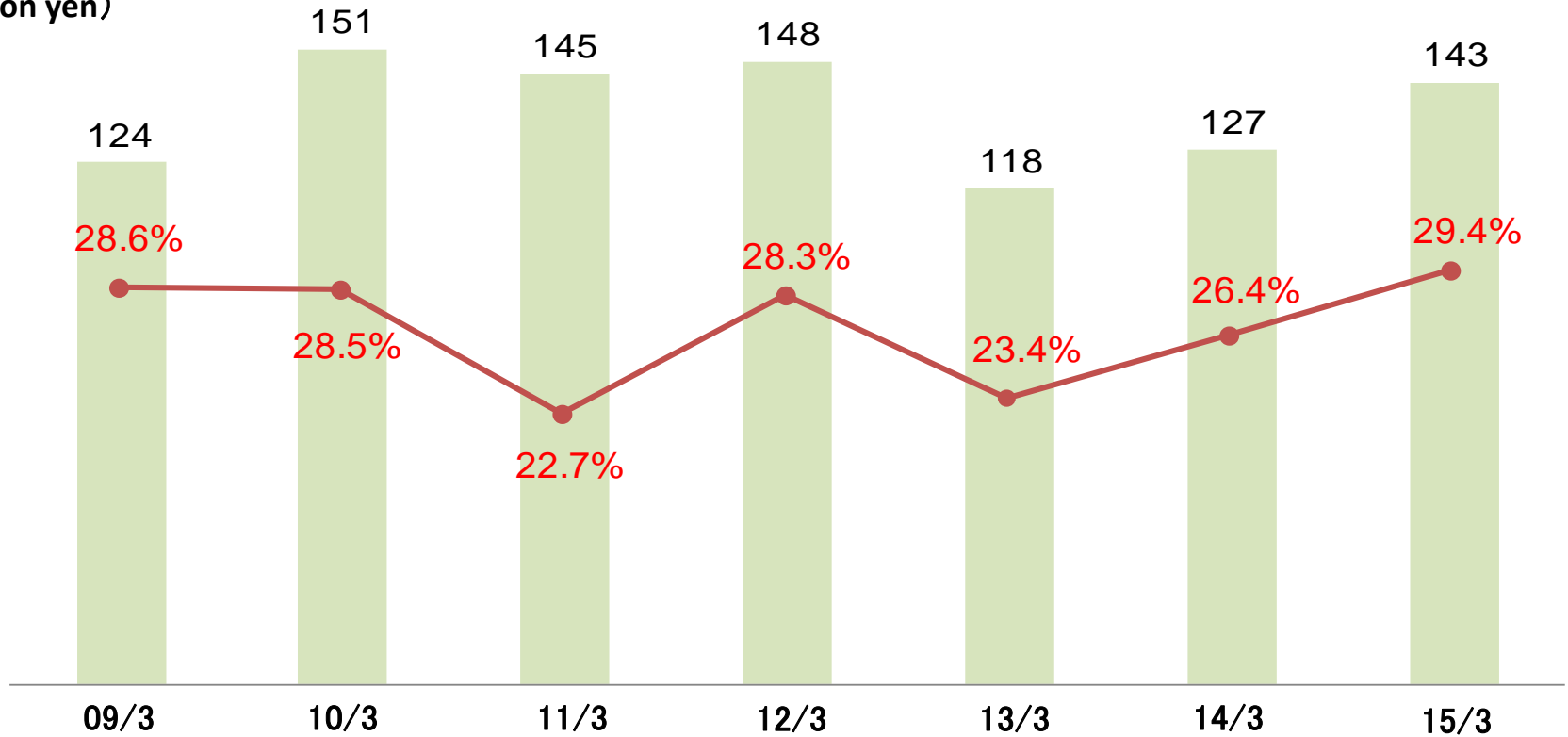


Transition of ROE & Operating Income

Transition of ROE & Operating Income

■ Operating Income ● ROE : Return on Equity

(0.1 billion yen)



Maintaining high level of ROE & operating income since its establishment

Selected as issue consists of “JPX Nikkei Index” as of August 2013

※ Average ROE among Japanese companies listed in

TSE 1st Section as of March 2014 : Approx. 8.7%

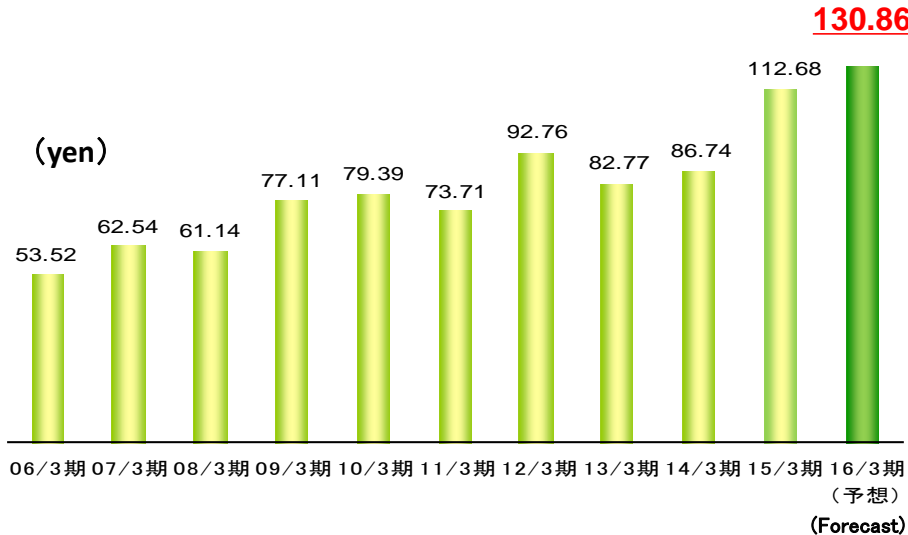
(Source : Japan Exchange Group, Inc.)

Return to Shareholders: Dividend Policy

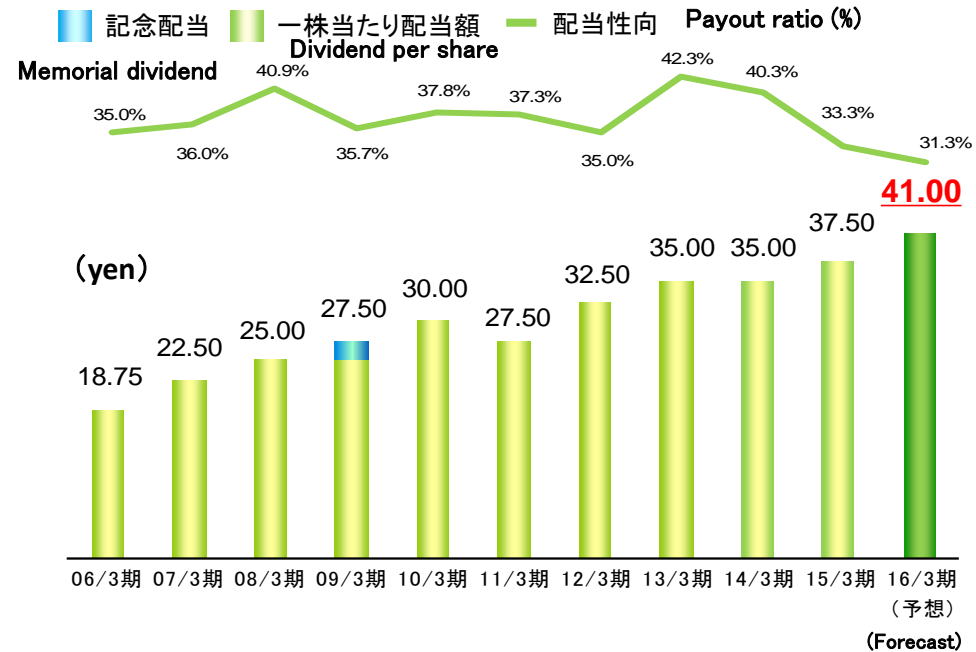
Basic Dividend Policy

Targeting & Maintaining Dividend Payout Ratio over 30% Level

Net Income per share



Dividend per share & payout ratio



Dividend per share for FY ending March 2016 (Forecast)

41.0 yen/share (Interim: 20.5 yen/share & Year-end: 20.5 yen /share)

Forecast Dividend Increase of 3.5 yen / share on a year-on-year basis