

Consolidated 1Q Financial Results for FY ending March 2016

August 6, 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 1Q Financial Results for FY ending March 2016



Summary of 1Q Consolidated Financial Results

(Unit:0.1 billion yen)	15/3 1Q Results	16/3 1Q Results	y/y Change	16/3 Full-year Forecasts	Achivement Ratio
Net Sales	1,269.5	1,359.3	107.1%	6,550.0	20.8%
Gross Margin	141.7	145.3	102.5%	635.0	22.9%
(to Net Sales)	11.2%	10.7%	▲0.5 p	9.7%	—
SGA Expenses	116.4	114.7	98.5%	485.0	23.7%
Operating Income	25.3	30.6	121.0%	150.0	20.4%
(to Net Sales)	2.0%	2.3%	+0.3 p	2.3%	—
Ordinary Income	25.3	30.8	121.9%	149.0	20.7%
(to Net Sales)	2.0%	2.3%	+0.3 p	2.3%	—
Net Income	13.2	18.3	138.5%	90.0	20.4%
(to Net Sales)	1.0%	1.4%	+0.4 p	1.4%	—

Financial Results by Business Segment

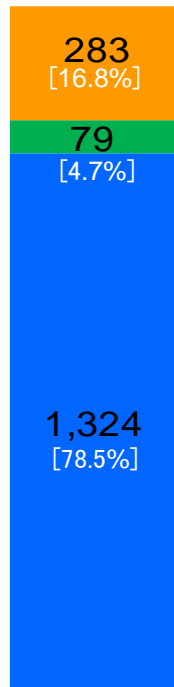
Net Sales

Operating Income

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

(0.1 billion yen)

1,687



14/3 1Q

1,269



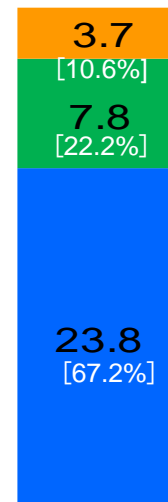
15/3 1Q

1,359



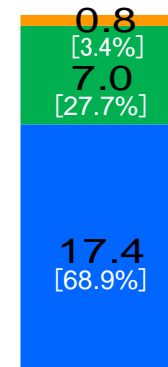
16/3 1Q

35.4



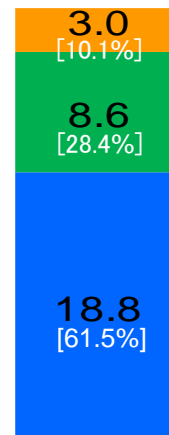
14/3 1Q

25.3



15/3 1Q

30.6



16/3 1Q

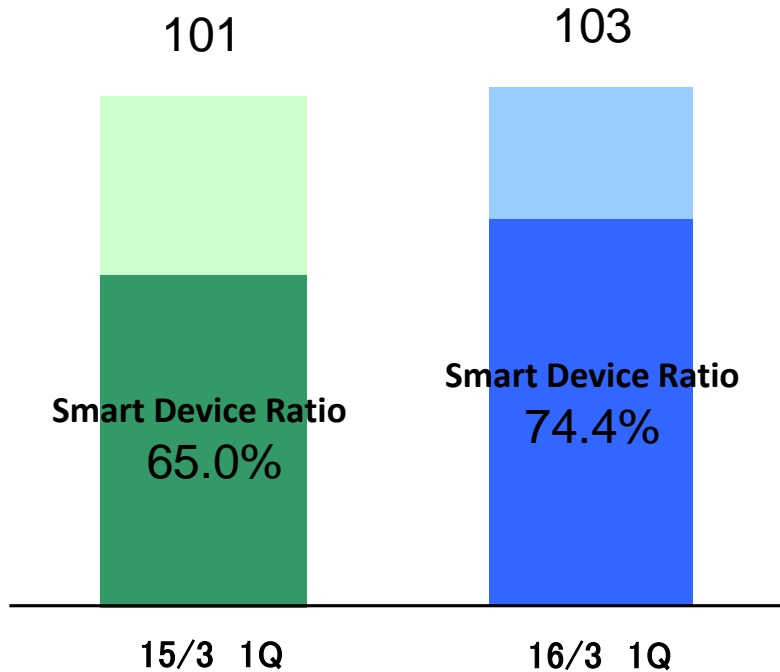
Stable net sales & operating income were ensured in each business segment due to increase of unit sales & effect of structural reform

Company-wide Unit Sales

Mobile-phone Unit Sales

- Feature-phones, etc.
- Smart device : Smart-phones / Tablets

(10 thousand units)

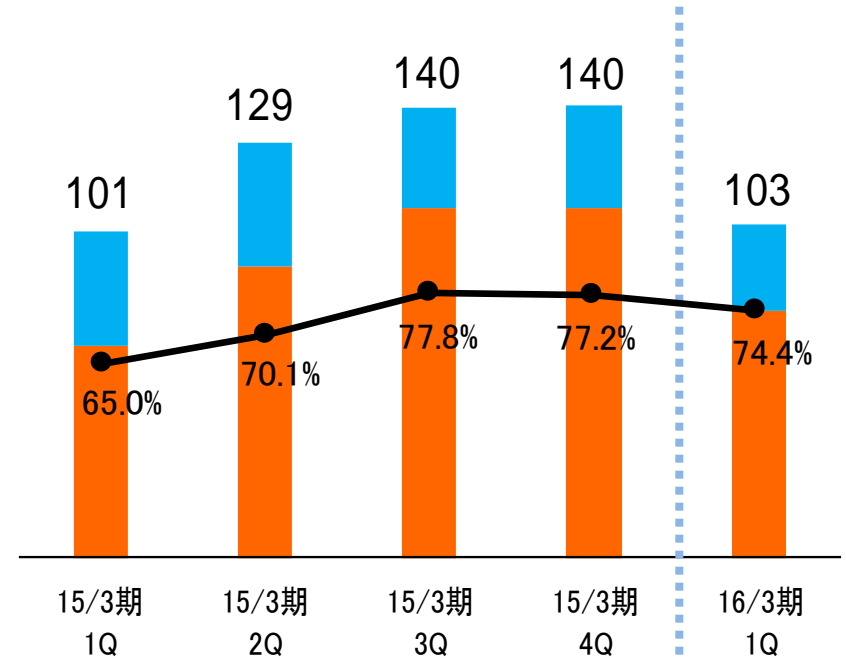


※ Including Wi-Fi models

Unit Sales on Quarterly basis

- Smart device: Smart-phones / Tablets
- Smart device Ratio
- Feature-phones, etc.

(10 thousand units)



Smart Device Ratio increased due to strengthening of sales activates

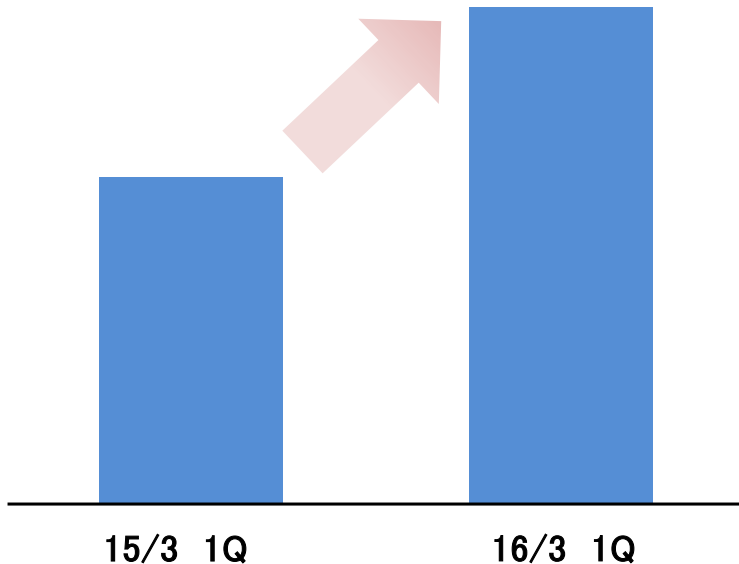
Tablet Unit Sales & Net Sales of Related Products

Tablet Unit Sales

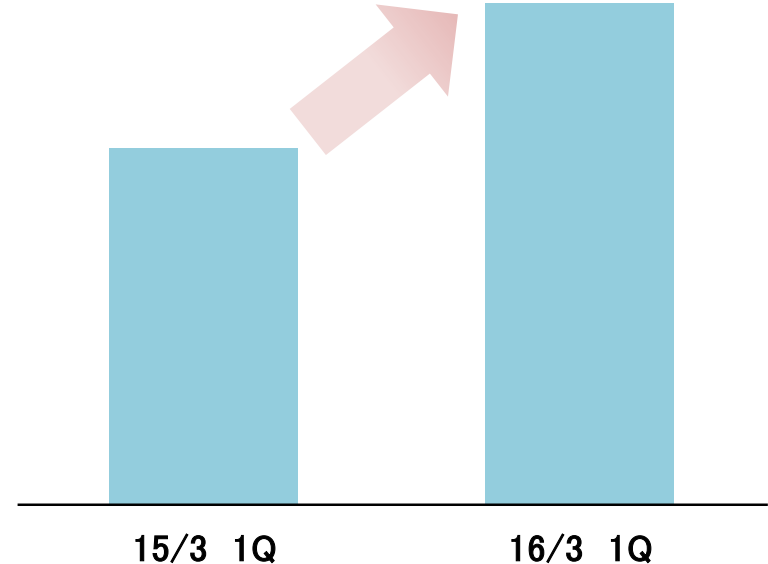
Net Sales of Related Products

*Related Products : Accessory for Smart Device, etc.

Increase by
Approx. 50%



Increase by
Approx. 40%



※ Including Wi-Fi models

Increased by approx. 50%
on a year-on-year basis

Increased by approx. 40%
on a year-on-year basis

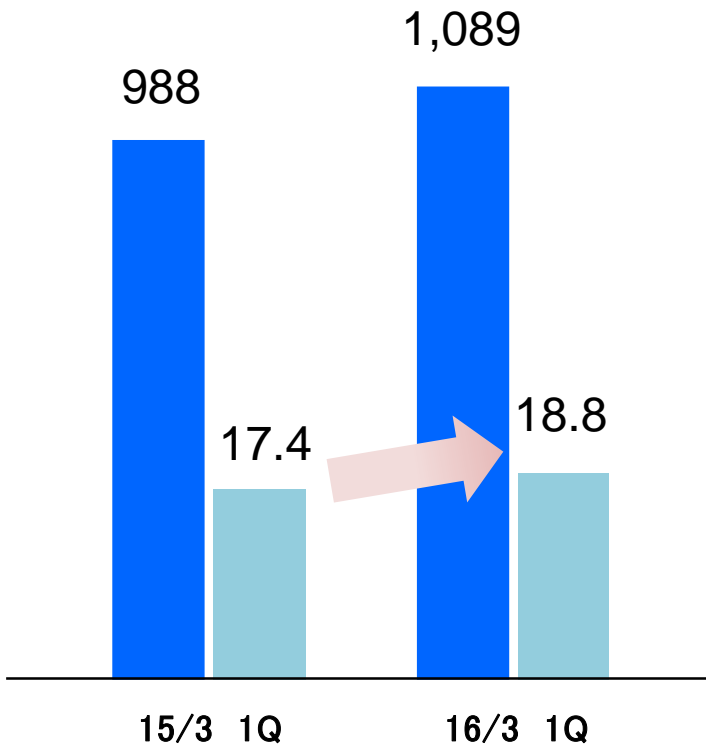


Mobile-phone Business

Financial Results Comparison

Net Sales Operating Income

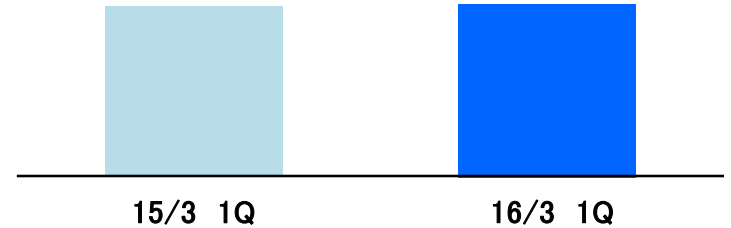
(0.1 billion yen)



Mobile-phone Unit Sales

(10 thousand units) 97

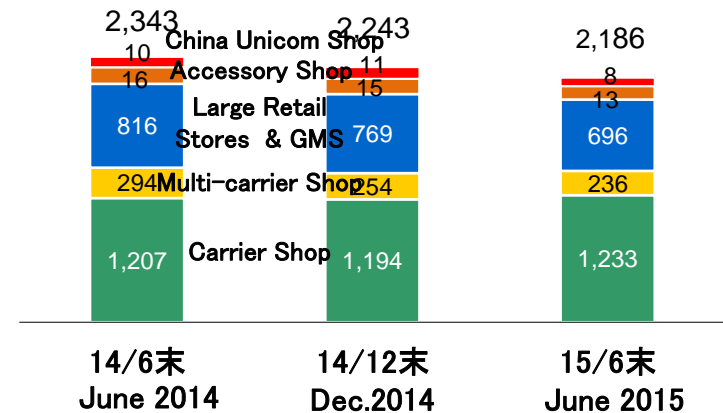
98



※ Including Wi-Fi models

Total No. of Sales Bases

■ キャリアショップ ■ 併売店等 ■ 量販店
 ■ アクセサリーショップ ■ チャイナユニコムショップ



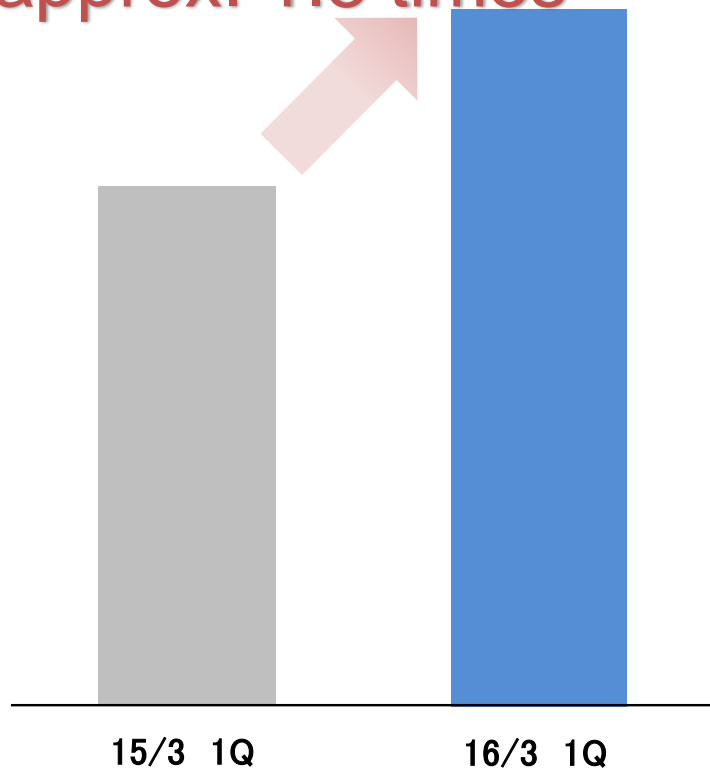
- Net sales increased due to growth of unit sales
- Operating income increased due to expansion of sales of smart-phone related products & tablets as well as the effect of the structural reform



Accessory Shops: Bricks-and-mortar shop

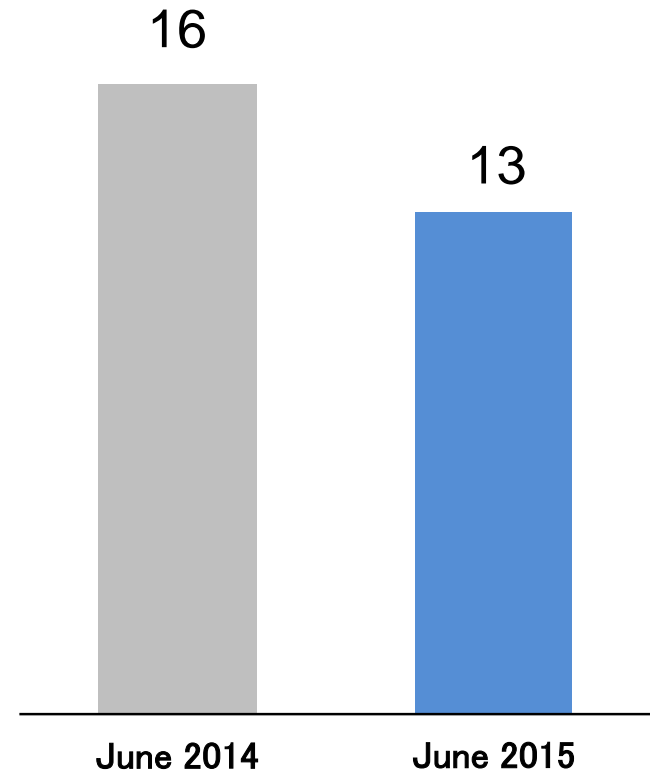
Net Sales

Increased by
approx. 1.3 times



Net sales increased by approx. 1.3 times on a year-on-year basis

No. of Accessory Shops



※ including EC site

Promoted scrap-and-build operations

Accessory Shop: EC site

Smart Labo
ONLINE STORE

(URL: <http://ec.smalabo.com/>)

Smart Labo ONLINE STORE

15% OFF SPECIAL COUPON

2015/8/31(月)まで新規購入者限定クーポンプレゼント中!

クーポンコード: new57

PRECISION create something new

Multi PU Leather Case "Everyca" featurde by Smart Labo

¥4,104 (税込)

Apple Watch ケース・カバー

DANBOARD Collection

モバイルバッテリー特集

StationTV

Product Lineup



No. of items sold: More than 2,000

Strengthening of EC site & Promotion of Omni channel strategy

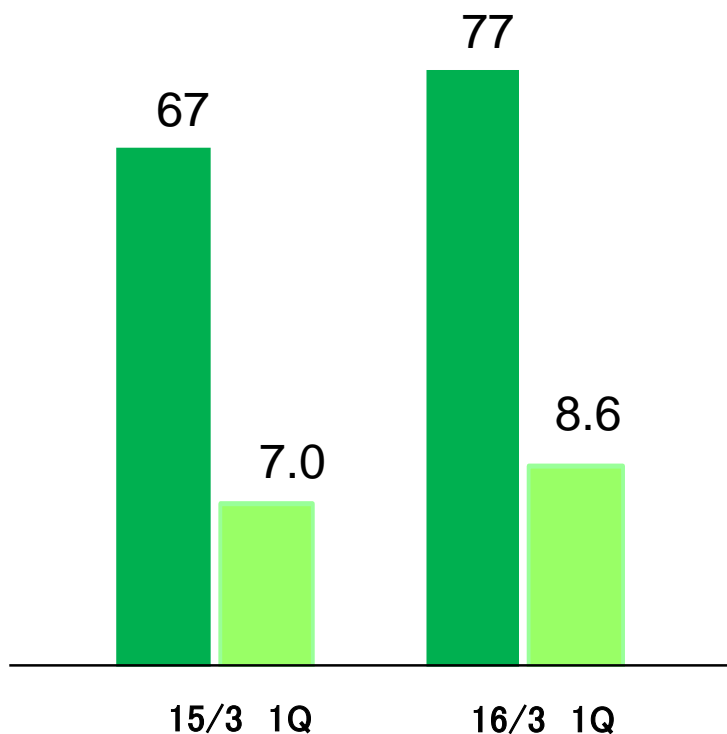


Solution Business

Financial Results Comparison

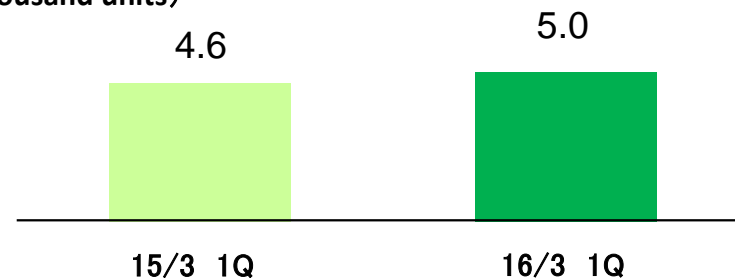
■ Net Sales
 ■ Operating Income

(0.1 billion yen)



Mobile-phone Sales Unit

(10 thousand units)

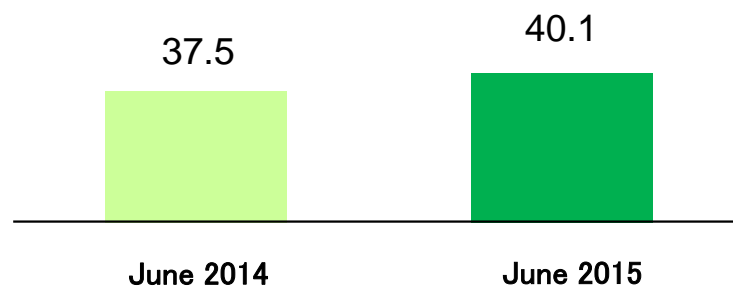


※ Including Wi-Fi models

Total No. of lines subscribing to movino star service

(10 thousand units)

movino star: Communication line mgmt. service for corporate clients



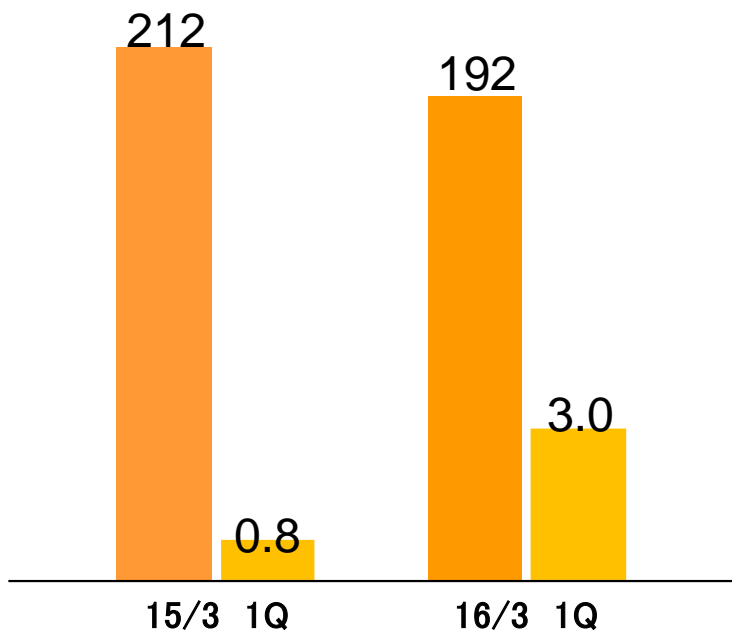
Both net sales & operating income increased due to strengthening of sale of smart devices as well as provision of various support service

Settlement Service & Other Business: Overview

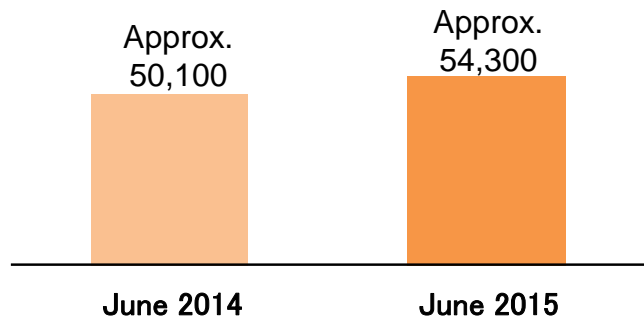
Financial Results Comparison

■ Net Sales ■ Operating Income

(0.1 billion yen)



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 due to difference of calculation method between PIN products & Gift Cards
- Operating income increased due to expansion of sale of Gift Cards in addition to improvement of income in overseas business



Settlement Service & Other Business: Overseas

China: Shanghai

- Operating Eight China Unicom Shops in Shanghai (As of June 30, 2015)
- Income improved due to strengthening of sales force and decrease of SGA expenses
- Based on an agency agreement with China Mobile, the largest telecom carrier in China, promoted “Multi-carrier” consulting service for corporate clients



Singapore

- Distributing Gift Cards at approx. 600 convenience stores in Singapore (as of June 30, 2015)
- Gross sales have been steadily grown owing to expansion of lineups for Gift Cards



Proactive Investment in Human Resources

Example of Training Program ※

- Intensive Training for newly hired sales staff at Tokyo Head Office
- Career Development Training
- Stratified Training
- Sales Skills Improvement Training

※A series of training program is provided by one of our Consolidated subsidiaries, Career Design Academy Co., Ltd.



Effect of Training Program

- Raise motivation of newly hired sales staff and lower their turnover ratio
- Improve overall sales skills as well as Customer Satisfaction
- Support respective customers' "Smart-phone Life"



(Training session)

Further promote "Staff Education" utilizing advance know-how on effective training

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.

Consolidated Forecasts for FY ending March 2016

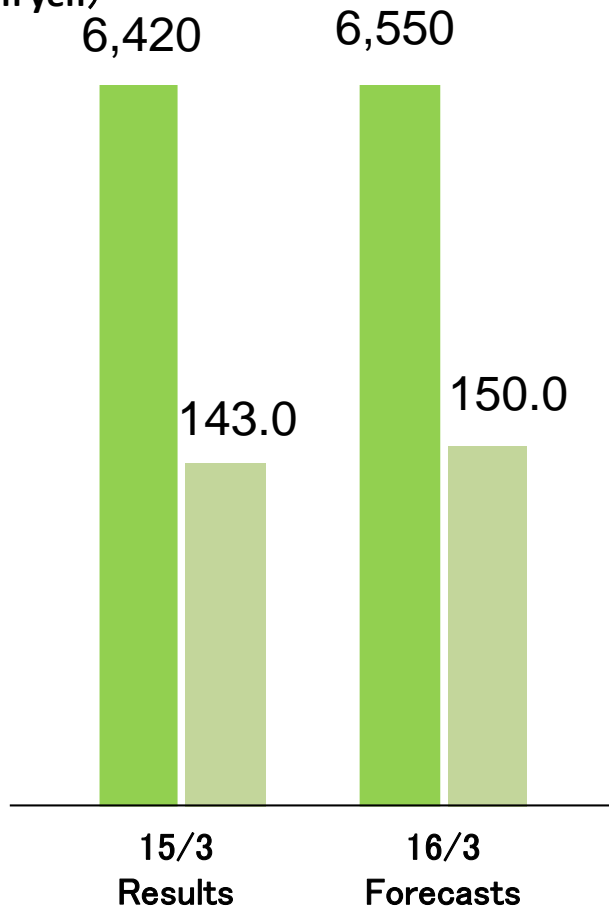
(Unit : 0.1 billion yen)	15/3 Full-year Results	16/3 Full-year Forecasts	Change of Amount	Year-on-Year basis (%)
Net Sales	6,420.9	6,550.0	129.1	102.0%
Gross Margin	619.8	635.0	15.2	102.4%
SGA Expenses	476.7	485.0	8.3	101.7%
Operating Income	143.0	150.0	7.0	104.8%
Ordinary Income	141.9	149.0	7.1	105.0%
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%

Outline of Full-year Consolidated Forecasts

Full-year Consolidated Forecasts

■ Net Sales ■ Operating Income

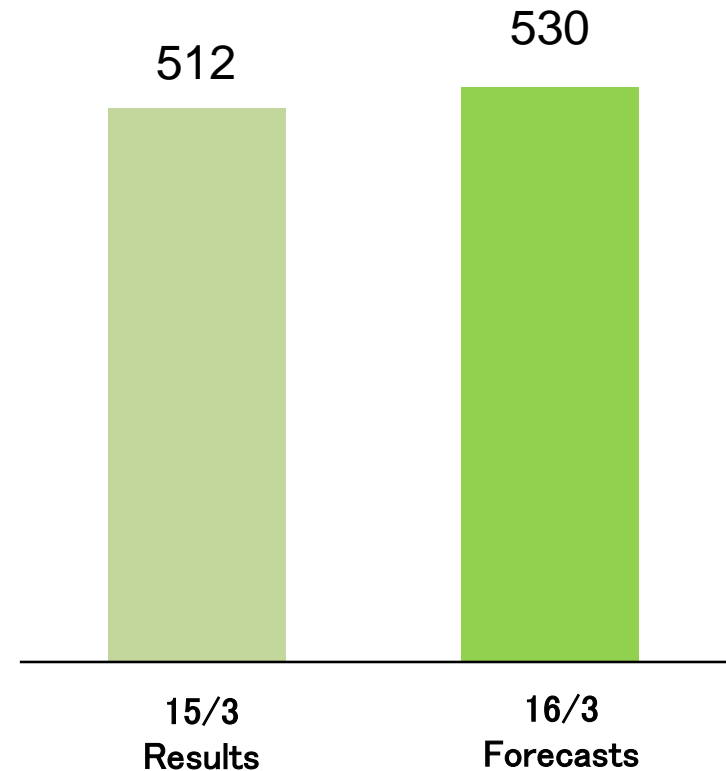
(billion yen)



Consolidated Unit Sales Forecasts

※ Including Wi-Fi models

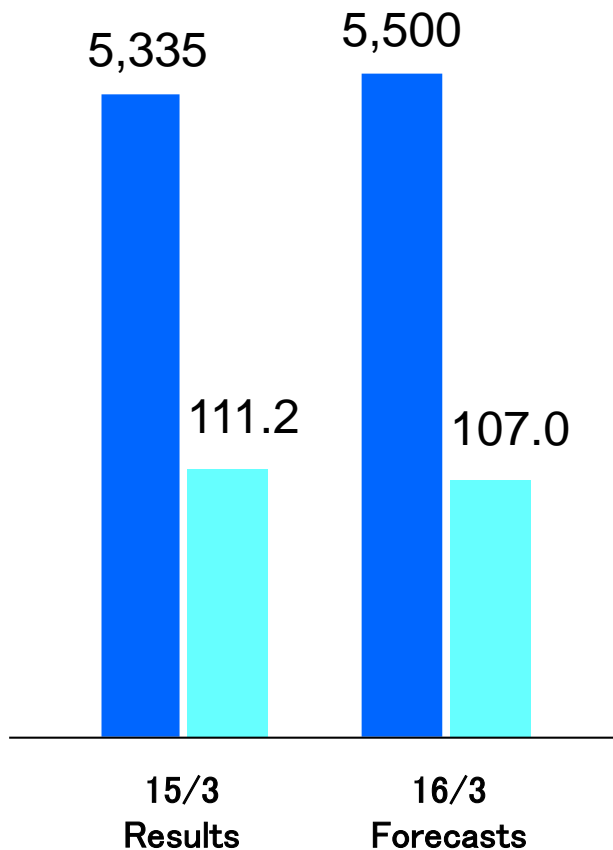
(10 thousand units)



Full-year Forecasts & Action Plan : Mobile-phone Business Segment

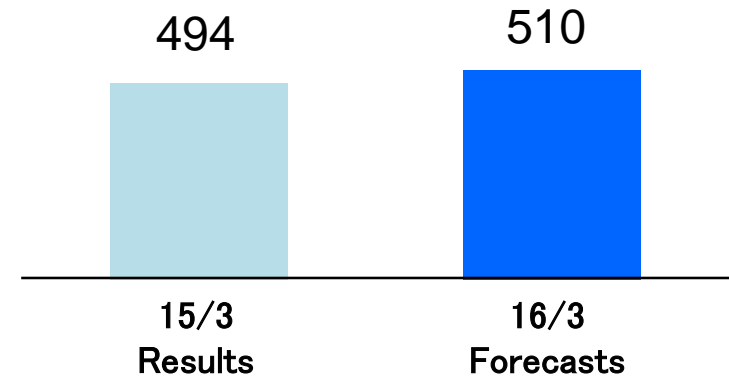
Full-year Forecasts

■ Net Sales ■ Operating Income
(billion yen)



Unit Sales Forecasts

(10 thousand units) ※ Including Wi-Fi models



Future Action Plan

- Provide “One-stop Service” including optical fibers, tablets and products related to smart devices
- Share know-how on sales & education with agency distributors to strengthen sales force of TG Group
- Proactively invest in career shops & sales staff to realize the world class IT society
- Continue structural reform with a sense of purpose and further improve corporate-wide productivity

Newly-opened Accessory Shops

Smart Labo

- “Smart Labo Namba Ebisubashi” opened as of July 3 in Osaka Pref.



- “Smart Labo Kobe Sannomiya” opened as of July 24 in Hyogo Pref.





Promotion of Accessory Shop Business

Launch 14 Bricks-and-mortar Shops Nationwide

(As of July 31, 2015 / excluding EC site)



- Sendai Clisroad
- Lovla 2 in Niigata
- Matsumoto PARCO
- ATRE Akihabara
- ATRE Kameido
- Aeon Mall Otaka
- Shinsaibashi
- Namba Osaka
- Nishinomiya Gardens
- Kobe Sannomiya
- Okaido Chuo
- Hiroshima Hondori



Smart Labo ATRE Kameido



- Shinjuku
- Harajuku



AppBank Store Shinjuku



Smart Labo Okaido Chuo



Smart Labo Shinsaibashi

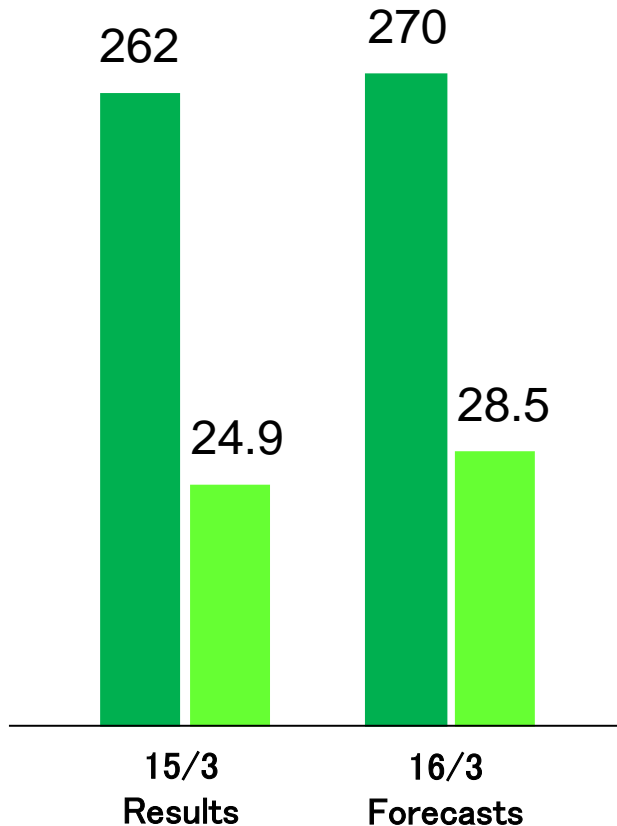


Full-year Forecasts & Action Plan : Solution Business Segment

Full-year Forecasts

Net Sales Operating Income

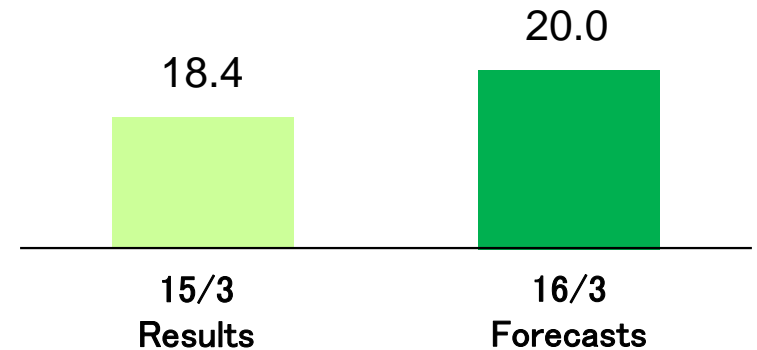
(0.1 billion yen)



Unit Sales Forecasts

(10 thousand units)

※ Including Wi-Fi models



Future Action Plan

Mobile Solution Business for Corporate Clients

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

※ movino star: telecommunication line mgmt. service for corporate clients

Fixed-line Business

- Expand diversified optical fiber services

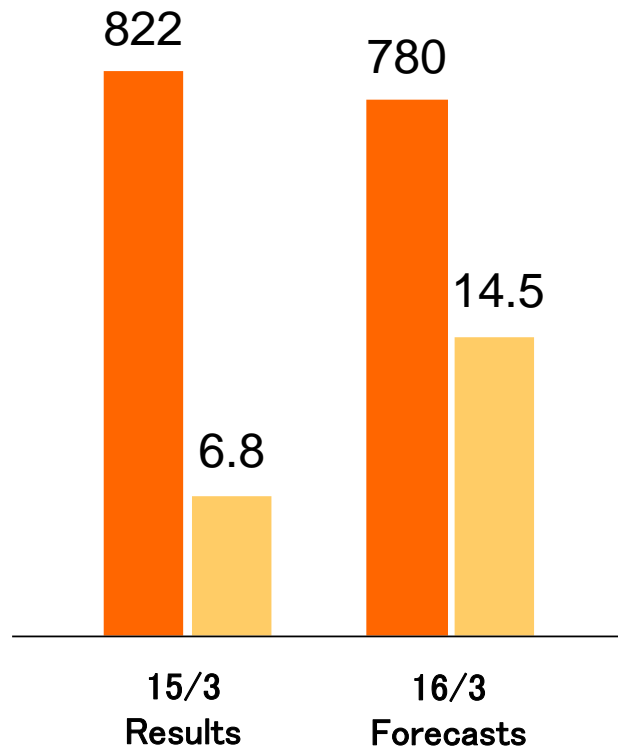




Full-year Forecasts

Net Sales 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



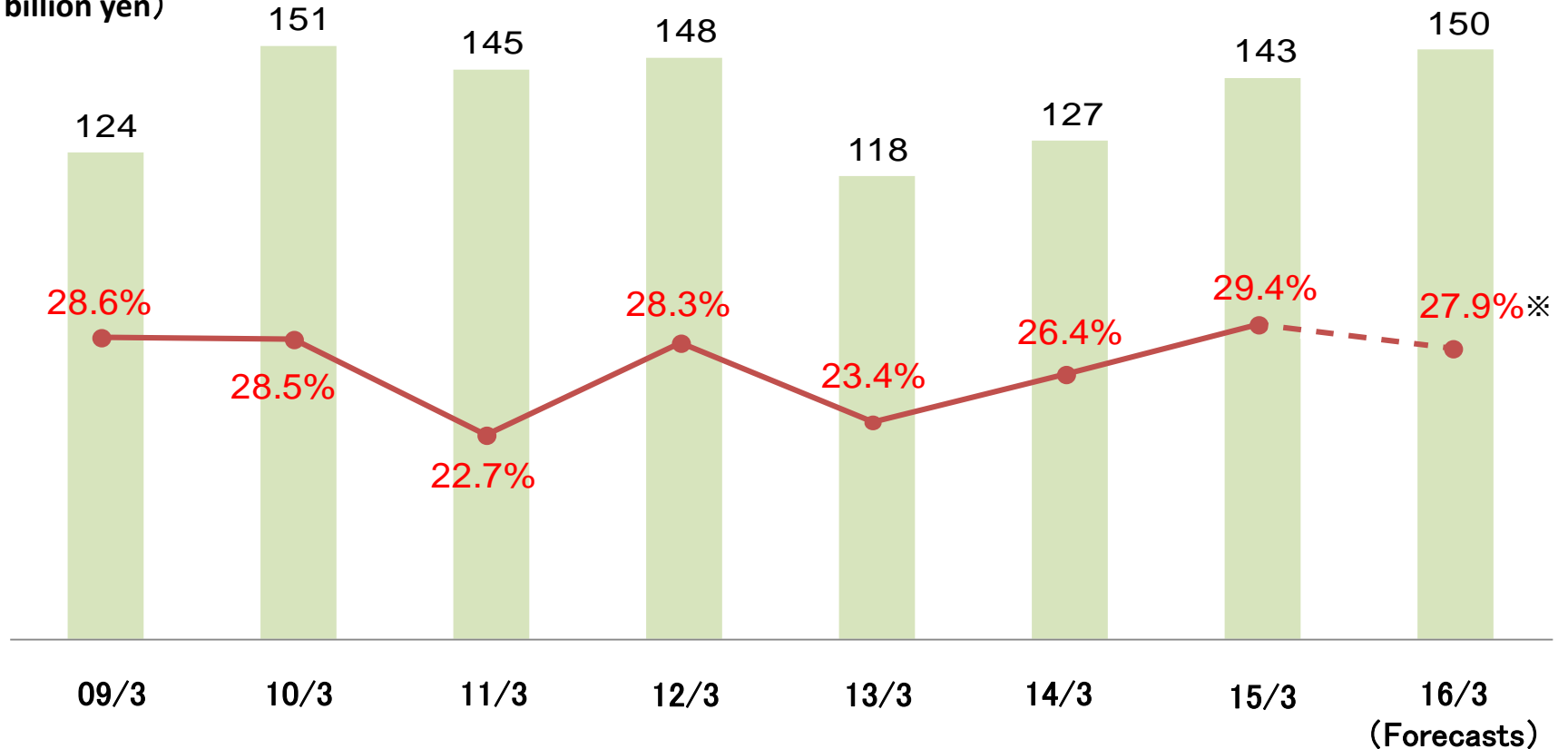
Transition of ROE & Operating Income

Transition of ROE & Operating Income

■ Operating Income

● ROE: Return on Equity

(0.1 billion yen)



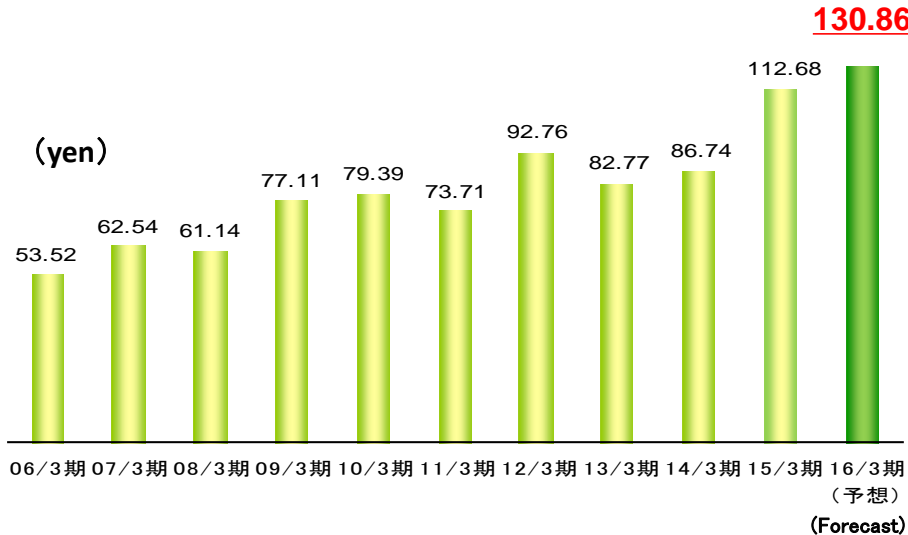
Selected as issue consists of “JPX Nikkei Index”
based on high level of ROE & Operating Income

Return to Shareholders: Dividend Policy

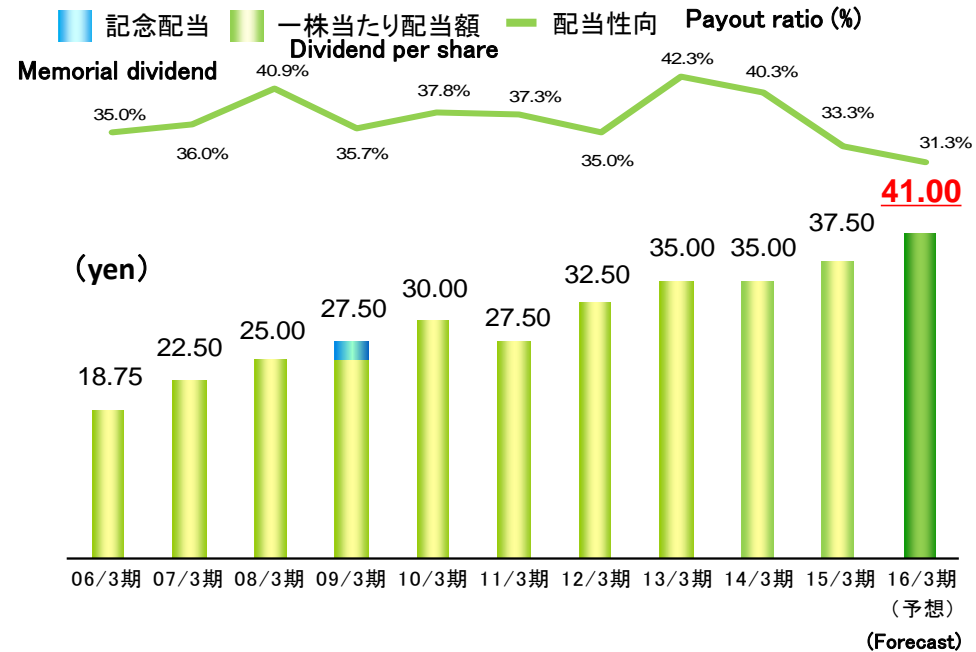
Basic Dividend Policy

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