



Supplementary Materials on Consolidated 1Q Financial Results for FY ending March 2017

(Three months ended June 30, 2016)

August 2016

T-Gaia Corporation / TSE 3738

Disclaimer

This material contains statements about the future performance of T-Gaia Corp., 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.

Corporate Outline



Head Office : Ebisu Neonato 14-18F, 4-1-18, Ebisu, Shibuya-ku, Tokyo
 TG Offices : Head Office, Four Regional Head Offices and Seven Branch Offices

(As of June 30, 2016)

Capital : 3,154 million yen No. of Employees : 4,329

- Business
- (1) Sales & distribution of mobile phones
 - (2) Brokering of telecommunication services incl. broadband access & optical fibers
 - (3) Prepaid settlement services, overseas business & others

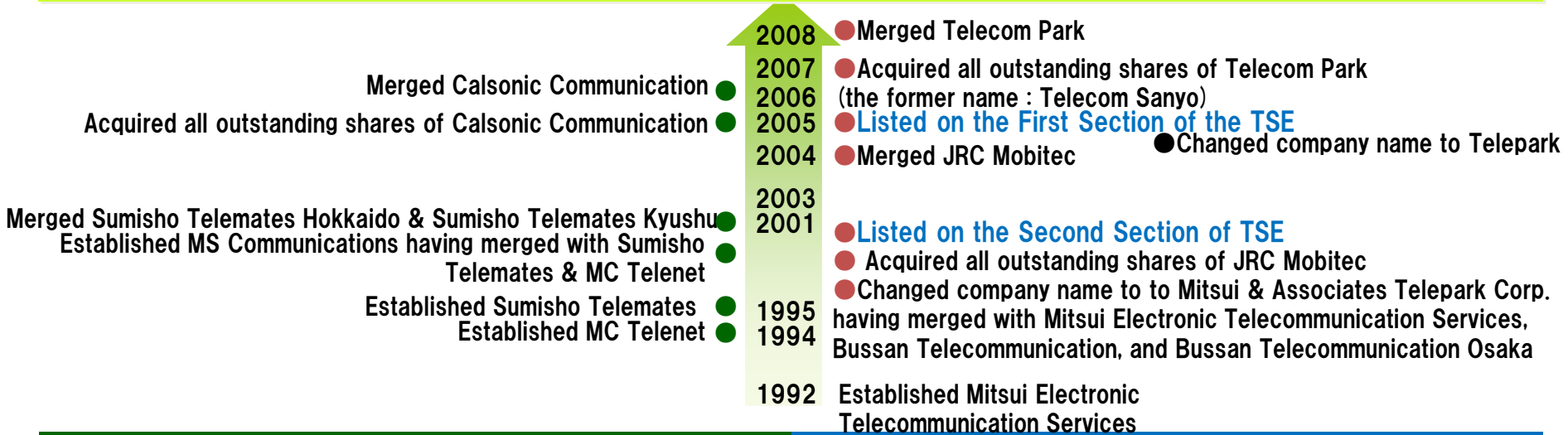
Major shareholder : **Sumitomo Corp. (Voting interest: 41.9%)**

Related companies: Three domestic companies and companies in China & Singapore

History

June 2015: Set up Present Management

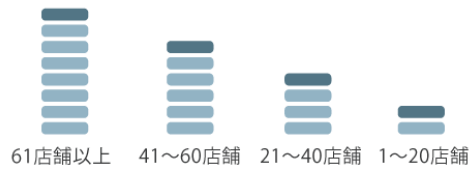
October 2008: Newly-established T-Gaia Corporation



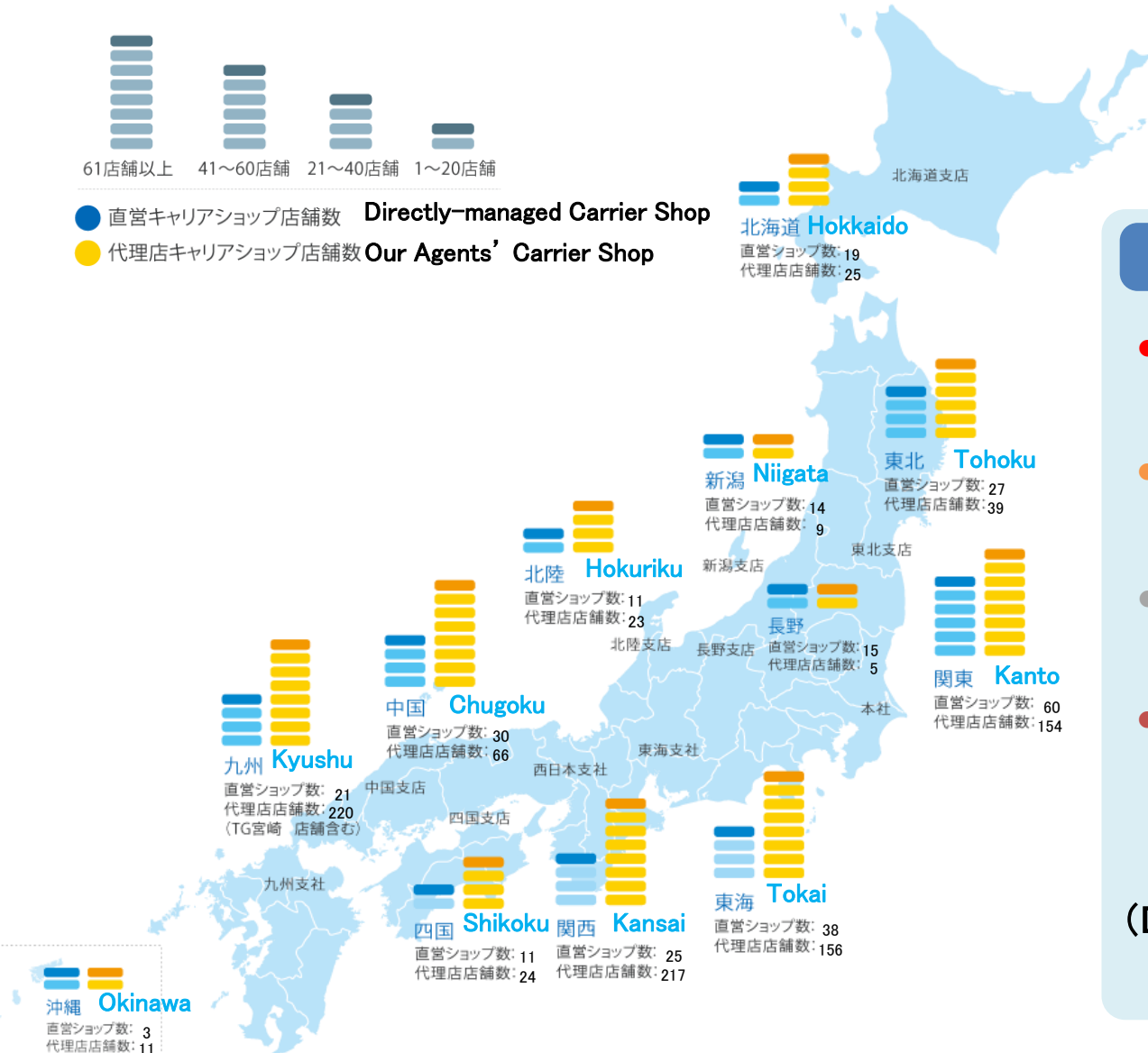
MS Communication Company, Limited

Telepark Corporation

Diversified Domestic & International Sales Channel



- 直営キャリアショップ店舗数 **Directly-managed Carrier Shop**
 ● 代理店キャリアショップ店舗数 **Our Agents' Carrier Shop**



No. of Carrier Shops (Directly-managed Shop)

● Docomo Shop	<u>277</u>
	(incl. 171)
● au Shop	<u>429</u>
	(Incl. 66)
● Softbank Shop	<u>460</u>
	(Incl. 36)
● Y! mobile Shop	<u>57</u>
	(Incl.1)
Total :	1,223
	(Directly-managed Shop 274)

(As of June 30, 2016)

Upgrading & Expanding Carrier Shops ①

Docomo Shop Mishimakannami (Shizuoka Pref.)



One of the largest Docomo Shop in Shizuoka Pref.



Reducing waiting time by setting up eleven counters



Accessory & tablet section with abundant product lineup



Spacious waiting space

Upgrading & Expanding Carrier Shops ②

au Shop Kita (Kagawa Pref.)



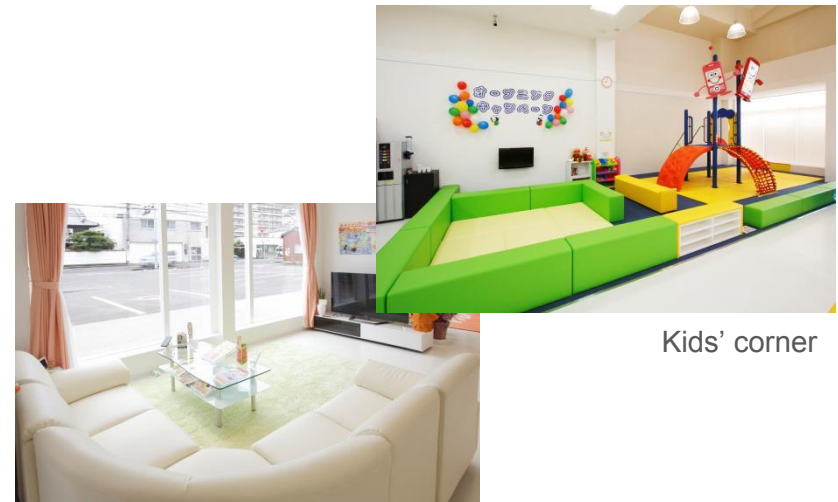
One of the largest au Shop in Shikoku area



Broad space with barrier-free environment



Multipurpose space for local events, etc.



Kids' corner

Waiting space

Upgrading & Expanding Carrier Shops ③

Softbank Shop Koshigaya Chuo & Y!mobile Shop Koshigaya Chuo (in Saitama Pref.)



Parallel establishment of Softbank Shop & Y!mobile Shop



Accessory section with abundant product lineup
(Softbank)



Flagship shop having a floor space of 500 square meters
(Softbank)



Large-scale kids' space
(Softbank)

Products sold in “Smart Labo” shops

- Variety of smart-phone cases



(Original cases)



(High-grade leather cases)

- Audio goods



(Earphones & Headphones)

- Very Popular Character Goods



(Stationery products)



(Battery chargers)

- MVNO-related goods



(Low-price SIM cards & SIM unlock smartphones)

- Products related to Particular Hobbies



(Selfie Stick)

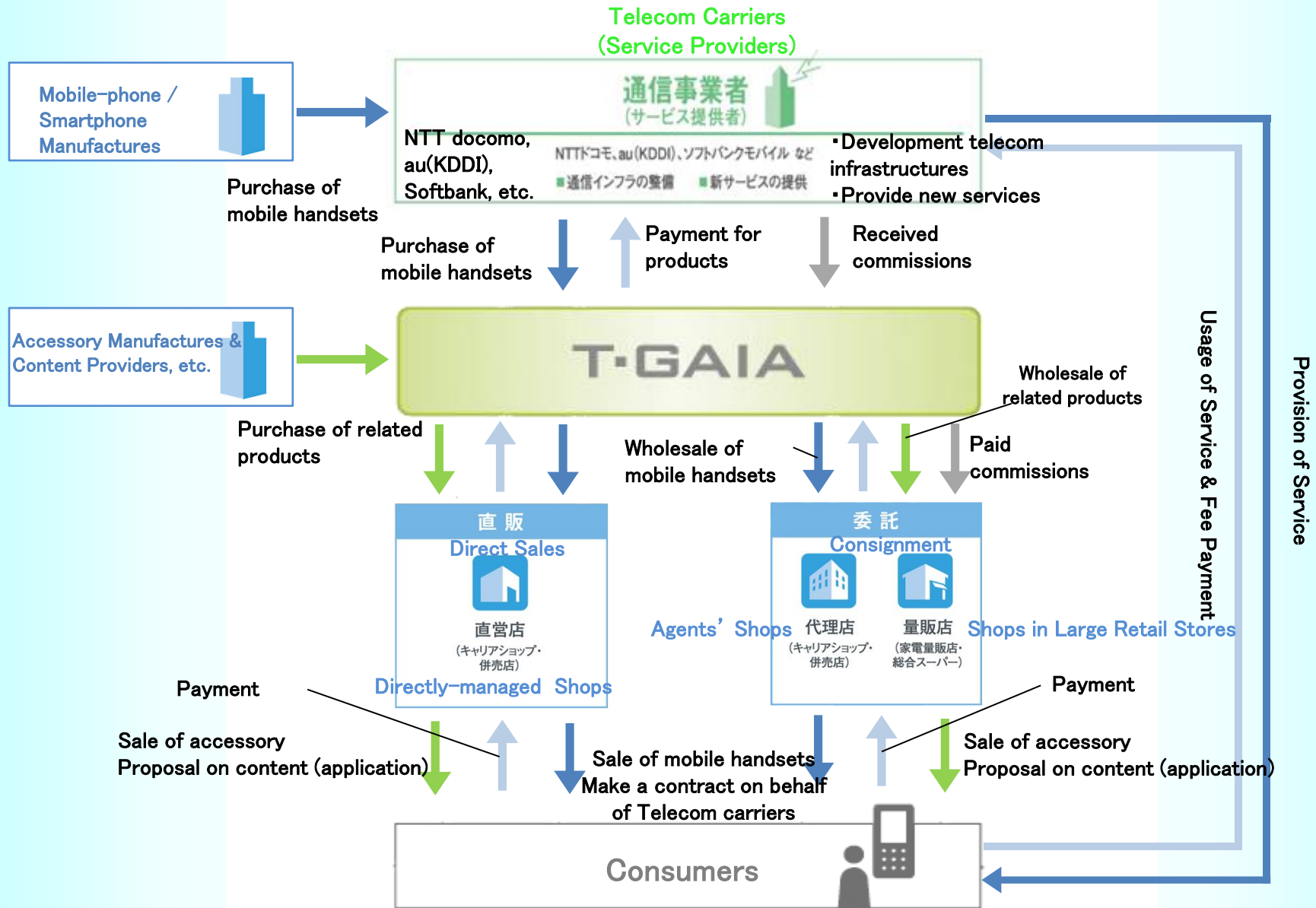
Key Financial Index

Full-year (Unit: Million yen)	2008/3 TP	2009/3 TG	2010/3 TG	2011/3 TG	2012/3 TG	2013/3 TG	2014/3 TG	2015/3 TG	2016/3 TG
Net Income	41.9	63.6	81.3	75.5	79.3	65.8	68.3	77.4	94.9
Shareholders' Equity (Net Assets)	186.1	259.4	310.6	356.4	280.5	281.7	235.9	291.0	358.1
Return on Equity (ROE)	24.1 %	28.6 %	28.5%	22.7%	28.3%	23.4%	26.4%	29.4%	29.3%
Dividend on Equity (DOE)	9.5 %	10.3 %	10.8 %	8.5 %	9.8%	10.1%	10.0%	9.8%	9.1
Operating Income to Net Sales	2.0%	2.9%	2.7%	2.4%	2.1%	1.6%	1.8%	2.2%	2.5%

※TP stands for Telepark Corporation and TG stands for T-Gaia Corporation.

※Each figure from 2005/3 to 2011/3 has been based on Non-consolidated basis.

Business Model ①: Mobile-phone Business 10



Business Model ②: Enterprise Solution Business11

Mobile-phone Business for Corporate Clients

Telecom Carriers (Service Providers)



Usage of Service & Fee Payment

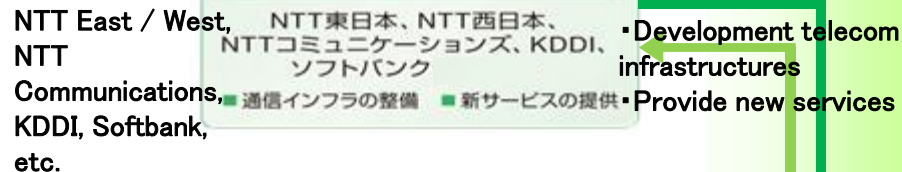
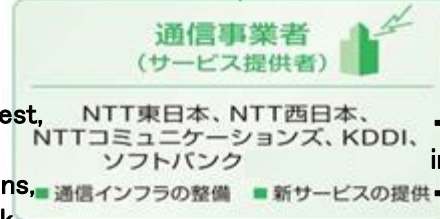


Sale of mobile handsets & various services
 Make a contract on behalf of Telecom carriers



Fixed-line Business

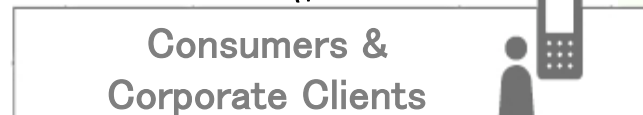
Telecom Carriers (Service Providers)



Usage of Service & Fee Payment

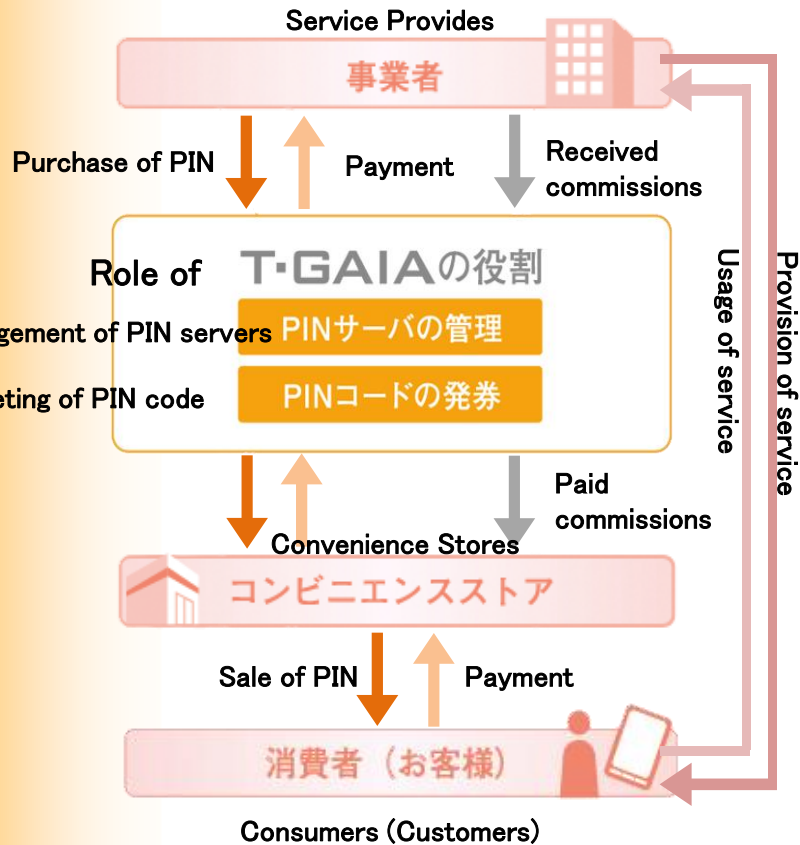


Provision of fixed-line services
 Make a contract on behalf of Telecom carriers



Business Model ③: Settlement Service Business 12

PIN Product Sales Model



Gift Card Sales Model

