

# Supplementary Materials on Consolidated 1Q Financial Results for FY ending March 2015

August 8, 2014



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.

# Corporate Outline

(As of June 30, 2014)



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

Capital : 3,154 million yen No. of Employees : 3,924

- 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 shareholders : [Sumitomo Corp. \(Approx. 34%\)](#)  
[Mitsubishi Corp. \(Approx. 19%\)](#)

## History

**April 2013: Set up New Management**

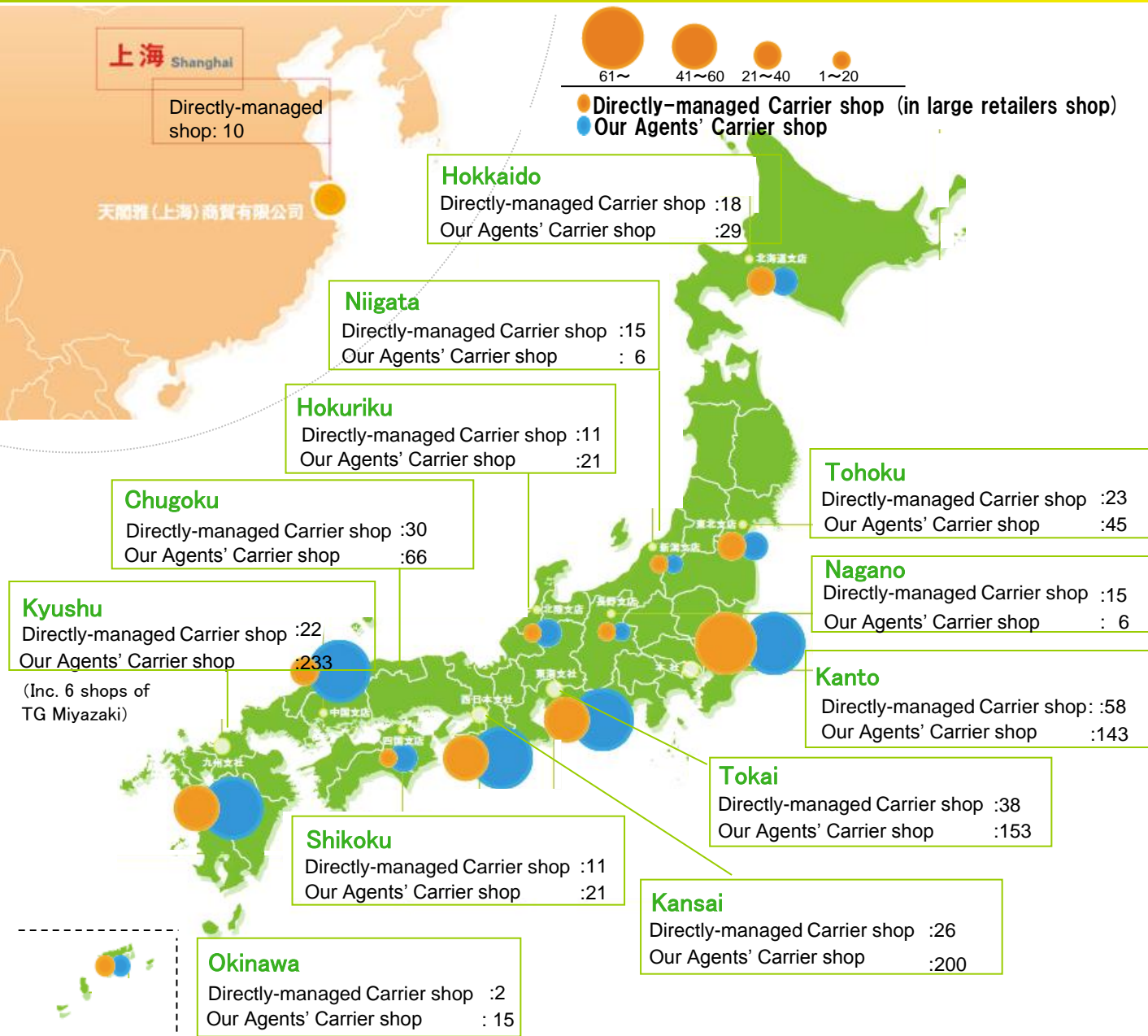
**October 2008: Newly-established T-Gaia Corporation**

|   |   |   |
|---|---|---|
| <p>Merged Calsonic Communication ●</p> <p>Acquired all outstanding shares of Calsonic Communication ●</p> <p>Merged Sumisho Telemates Hokkaido &amp; Sumisho Telemates Kyushu ●</p> <p>Established MS Communications having merged with Sumisho Telemates &amp; MC Telenet ●</p> <p>Established Sumisho Telemates ●</p> <p>Established MC Telenet ●</p> | <p>2008</p> <p>2007</p> <p>2006</p> <p>2005</p> <p>2004</p> <p>2003</p> <p>2001</p> <p>1995</p> <p>1994</p> <p>1992</p> | <p>● Merged Telecom Park</p> <p>● Acquired all outstanding shares of Telecom Park (the former name : Telecom Sanyo)</p> <p>● <a href="#">Listed on the First Section of the TSE</a></p> <p>● Merged JRC Mobitec ● Changed company name to Telepark</p> <p>● <a href="#">Listed on the Second Section of TSE</a></p> <p>● Acquired all outstanding shares of JRC Mobitec</p> <p>● Changed company name to Mitsui &amp; Associates Telepark Corp. having merged with Mitsui Electronic Telecommunication Services, Bussan Telecommunication, and Bussan Telecommunication Osaka</p> <p>Established Mitsui Electronic Telecommunication Services</p> |
|---|---|---|

**MS Communication Company, Limited**

**Telepark Corporation**

# Diversified Domestic & International Sales Channels




## Example of Carrier Shop [Directly-managed shop]

**Docomo Shop**  
■ 282  
 [Incl. 171]



**au shop**  
■ 430  
 [Incl. 66]



**Softbank Shop**  
■ 467  
 [Incl. 32]



**E-Mobile Shop 5**

**WILLCOM Shop 23**

**China Unicom Shop in Shanghai**  
 10 [Incl. 10]

**Total: 1,217**

[Directly-managed Shop 279]

As of the end of June 2014

# Concept Shop ① (Community-based Shop)



(Outlook)



(Interior)



(Multi-purpose room)



(Kids' corner)



(Waiting space)

# Concept Shop ② (Multilingual Shop)



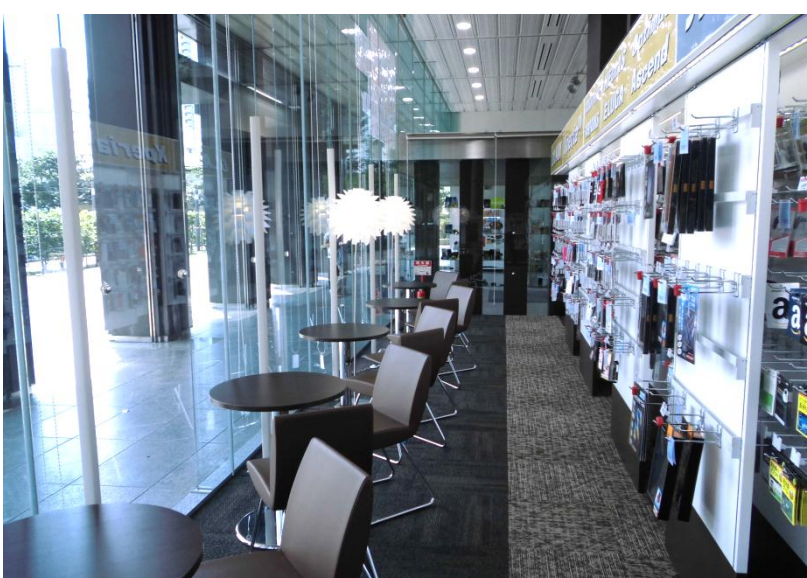
(Outlook)



(Waiting space)



(Kids' corner)



(Waiting space)

# Products sold in “Smart Labo” shops



High class Smart-phone cases (10 to 30 thousand yen each)



Waterproof cases for iPhone / iPad



Radio-controlled cars & helicopters using Smart-phones as their controllers

# Key Financial Index

| (Unit: Million yen)               | 2005/3<br>TP | 2006/3<br>TP | 2007/3<br>TP | 2008/3<br>TP | 2009/3<br>TG | 2010/3<br>TG | 2011/3<br>TG | 2012/3<br>TG | 2013/3<br>TG | 2014/3<br>TG |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Income                        | 29.6         | 35.4         | 41.1         | 41.9         | 63.6         | 81.3         | 75.5         | 79.3         | 65.8         | 68.3         |
| Total Assets                      | 498.6        | 587.6        | 717.0        | 910.0        | 1,484.2      | 1,473.9      | 1,538.0      | 2,082.3      | 2,012.3      | 1,996.3      |
| Shareholders' Equity (Net Assets) | 110.3        | 133.4        | 161.1        | 186.1        | 259.4        | 310.6        | 356.4        | 280.5        | 281.7        | 237.1        |
| ROA (Return on Assets)            | 11.3 %       | 11.6 %       | 11.2 %       | 9.1 %        | 10.0%        | 10.1%        | 9.6%         | 7.1%         | 5.7%         | 6.3%         |
| ROE (Return on Equity)            | 33.1 %       | 29.1 %       | 27.9 %       | 24.1 %       | 28.6 %       | 28.5%        | 22.7%        | 28.3%        | 23.4%        | 26.4%        |
| Dividend on Equity (DOE)          | 13.4 %       | 9.2 %        | 10.1 %       | 9.5 %        | 10.3 %       | 10.8 %       | 8.5 %        | 9.8%         | 10.1%        | 10.0%        |
| Operating Income to Net Sales     | 2.0%         | 2.1%         | 2.1%         | 2.0%         | 2.9%         | 2.7%         | 2.4%         | 2.1%         | 1.6%         | 1.8%         |
| Equity Capital Ratio              | 22.1%        | 22.7%        | 22.5%        | 20.5%        | 17.5%        | 21.1%        | 23.2%        | 13.5%        | 14.0%        | 11.8%        |

※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.

# Our Role in Mobile-phone Industry in Japan

Mobile-phone/  
Smart-phone  
Manufacturers

## Telecommunications Carriers (Service Providers)



NTT DOCOMO, au(KDDI), Softbank Mobile, and E - MOBILE, and so on

- Development of telecommunications infrastructures
- Provision of new services

Content  
Providers

## Characteristics of T-GAIA



An extensive  
line-up



High-quality sales  
agents



Dependable  
after-sales service

**Sells mobile phones through various channels**

### Direct Sales



#### Directly-managed Shops

(Carrier Shops/  
Shops dealing  
Multi-carrier brands)



#### Sales for Corporate Clients

\*For Sales for Corporate Clients, please see our  
Solutions Marketing Business on page 09.

### Consignment



#### Agents' Shops

(Carrier Shops/  
Shops dealing  
Multi-carrier brands)



#### Shops in Large Retail Stores

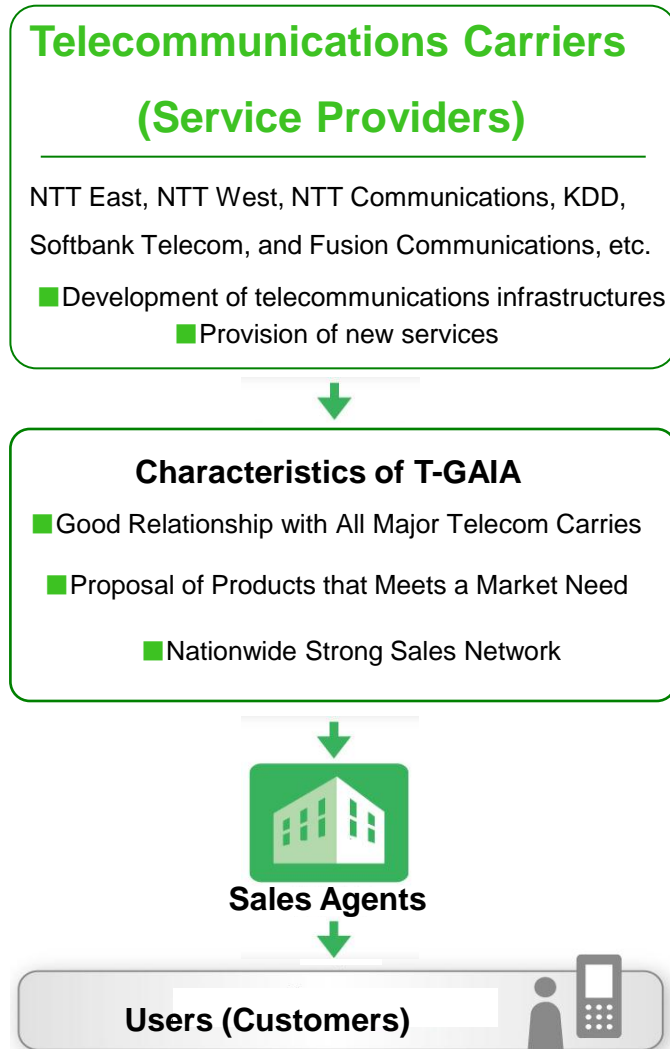
(Home Appliances Stores/  
General Merchandise  
Supermarkets)

Users (Customers/Corporate Clients)

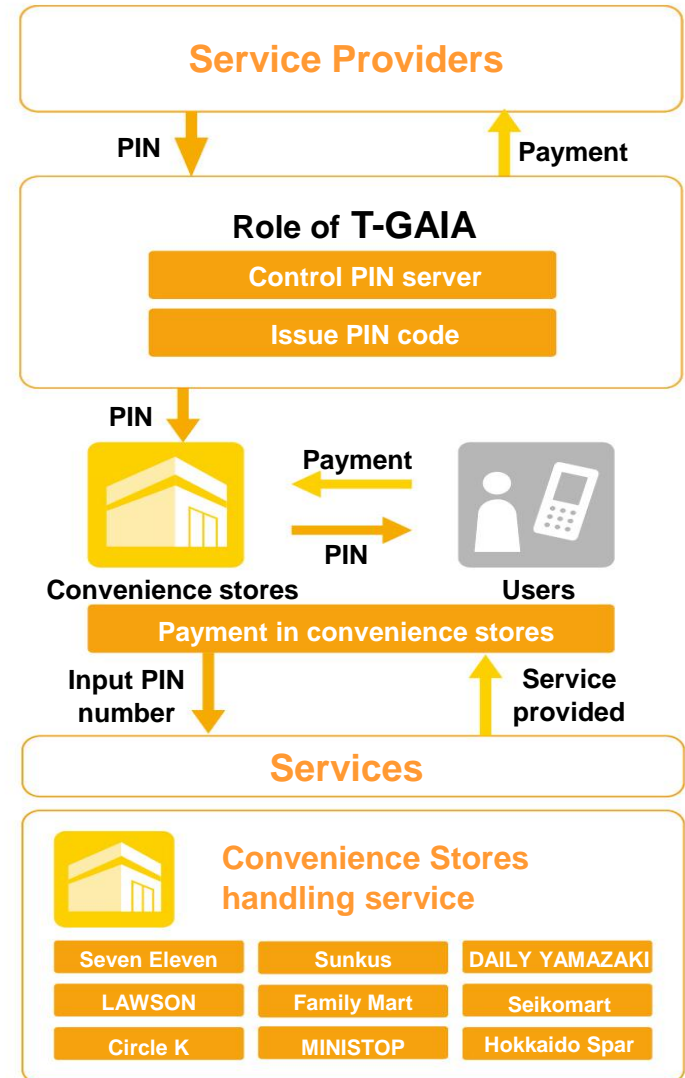




# Our Role in Fixed-line & Settlement Service Business



● Framework of Fixed-line Business



● Framework of Prepaid Settlement Service (Sale of PIN: Personal Identification No.)