



T-GAIA

INTEGRATED REPORT 2018

New Corporate Philosophy

Our corporate philosophy was updated in FY 2017 with the concept of making it simpler and easier to understand without changing the essence of the corporate philosophy announced in April 2014.



TG Vision T-Gaia's Corporate Vision

- T-Gaia will propose new ways of communication to provide our customers with excitement, delight, and safety.

TG Mission T-Gaia's Corporate Mission

- We pledge to care for our employees and their families to ensure that everyone find joy in work.
- We pledge to establish strong relationships of trust with our business partners, community, and shareholders to strive for sustainable development together.
- As an industry leader, we pledge to stay ahead of changes and continuously take on new business opportunities.

TG Action Our Code of Conduct

- We pursue services that go above and beyond customers' appreciation.
- We take on new challenges proactively through our passion and with a sense of speed.
- We value communications to build a culture of openness and trust in the workplace.
- We respect our employees' diversity to foster the best teamwork.
- We strive for constant self-improvement as a team of professionals.
- We always act on high ethical standards and strengthen our compliance structure.



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Message from the President & CEO

Established through a merger in October 2008, T-Gaia celebrates its 10th anniversary this year. It is absolutely the result of patronage received from our customers using our group's products and services, as well as the warm support from telecommunications carriers, our partner agents, the community, shareholders and various stakeholders. I would like to extend my deepest appreciation.

Looking back, the business climate surrounding our group has changed dramatically in the last decade. Because of further technological innovation, new services have appeared one after another in the sectors of mobile, the Internet, and payment settlement services. The ICT-related domain has continued to produce more business opportunities. Under these circumstances, while our group maintains its stable foundation for the core business, we set a group vision to become a comprehensive provider of ICT-related domains to work toward sustainable growth through investments in the marketable related businesses this year.

By maximizing the productivity of the operations of our directly managed carrier shops and partner agents, we aim to firmly maintain our leading position in the industry in the mobile sector, which is our core business. In addition, since Quo Card Co., Ltd., joined our group in December 2017, our group is aiming to reinforce cooperation with our group companies and invested companies in the ICT-related domain to expand our B2B and B2B2C segments and further display the group's collective strengths.

T-Gaia was originally established through a merger of a subsidiary of three zaibatsu trading companies and three manufacture-related vendors. Because of this, our strengths are a wide range of business models, extensive business relations, and nationwide sales bases. By leveraging our strengths comprehensively, we pledge to further reinforce our payment settlement services and the solution business with the mobile sector at the core.

As an industry leader, we remain committed to staying ahead of changes to achieve sustainable development in the next decade. We look forward to your continued support and guidance.

金治 伸隆

Nobutaka Kanaji,
President & CEO (Chief Executive Officer)



10-year Corporate History

To have all the employees work together for the same goal

T-Gaia is celebrating its 10th anniversary on October 1, 2018. Let's look back on our steps in the last decade.

Origin of the Corporate Name

Our corporate name represents our commitment that we aim to become a grand company like the earth nurturing the lives of all people across the world by continuing bold challenges with integrity toward the future. This commitment is also reflected in our corporate vision, "Lead the Way toward the Future & Take a Leap for Tomorrow."

TOMORROW

+

GAIA

It derives from the Goddess of Earth in Greek mythology and represents the Earth as one enormous life form.

About Corporate Mark

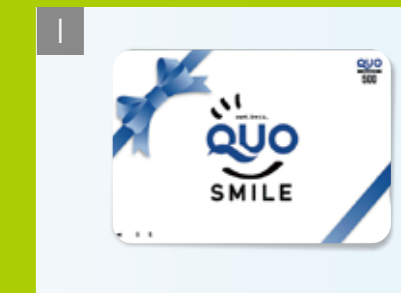
The corporate mark of T-GAIA is a futuristic and innovative mark designed from the initials TG. The dynamic G that spreads from the core, a bright T, emphasizes young, powerful energy and momentum, and represents an enterprising spirit and innovativeness that continue to take on challenges toward the future. The dynamic mark that communicates a sense of speed represents T-Gaia that leads the world with the strong leadership in the midst of rapidly changing society.



December 2017

I

Quo Card Co., Ltd., becomes a consolidated subsidiary.



April 2015

H

Established Career Design Academy Co., Ltd.



March 2014

G

Established Career Design Academy Co., Ltd.



November 2013

F

Acquired WAM!NET Japan K.K. as a consolidated subsidiary. (Holds 97.5% of shares outstanding as of Feb. 2017)



November 2012

E

Established T-GAIA Asia Pacific Pte. Ltd. a consolidated subsidiary, in Singapore.



April 2012

D

Opened an internal training/educational institute "TG Academy."

December 2011

C

Acquired 100% ownership of TG Miyazaki. (Merged in April 2017)

June 2011

C

Started the Card Mall business utilizing gift cards.

January 2009

B

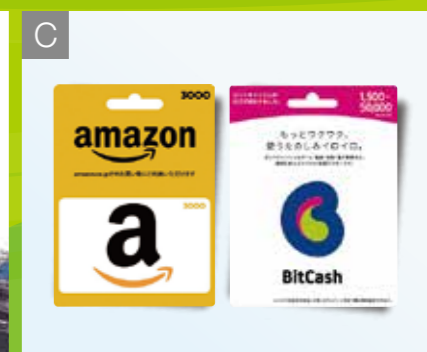
Moved the head office to Ebisu, Shibuya-ku, Tokyo.

October 1, 2008

T-Gaia was established.

A

T-Gaia Corporation founded by equal merger of MS Communications Co., Ltd. and Telepark Corporation.



*Amazon, Amazon.co.jp, and their logos are trademarks of Amazon.com, Inc. and their subsidiaries.
*BitCash and their logo are registered trademarks of BitCash, Inc.



Mobile Telecommunications Business



In the world of mobile communication reaching a turning point, T-Gaia accurately captures and goes ahead of changes to lead the way toward the future

As one of the largest primary distributors in Japan for telecommunications carriers, we sell mobile phones, including smartphones, tablet and various smart device-related products, and services through our diversified sales channels across Japan. In addition, to provide our customers with the enjoyment of a more enriched life through mobile communication, T-Gaia promotes various initiatives daily.



168.44 million The total number of mobile phone subscriptions in Japan (as of March 31, 2018)

4.59 million units The total number of mobile phones sold by T-Gaia in Japan (including sub-brands of telecommunications carriers, MVNO, and Wi-Fi terminals) (FY 2017)

11.2% T-Gaia's market share in the sales of mobile phones in Japan (FY 2017)

01 T-Gaia caters to the changing needs of our customers with the help of good partnerships

We have been building good business partnerships with major telecommunications carriers in Japan. Based on the trust of our business partners, we actively promote flexible and creative sales strategies, catering to varying client needs by promptly capturing market trends, such as the full-scale penetration of smartphones and tablet computers. In addition, one of our strengths is our ability to implement effective sales strategies by offering an extensive lineup of related products, such as accessories, and contents, all of which are indispensable for mobile terminals, and developing new business models.



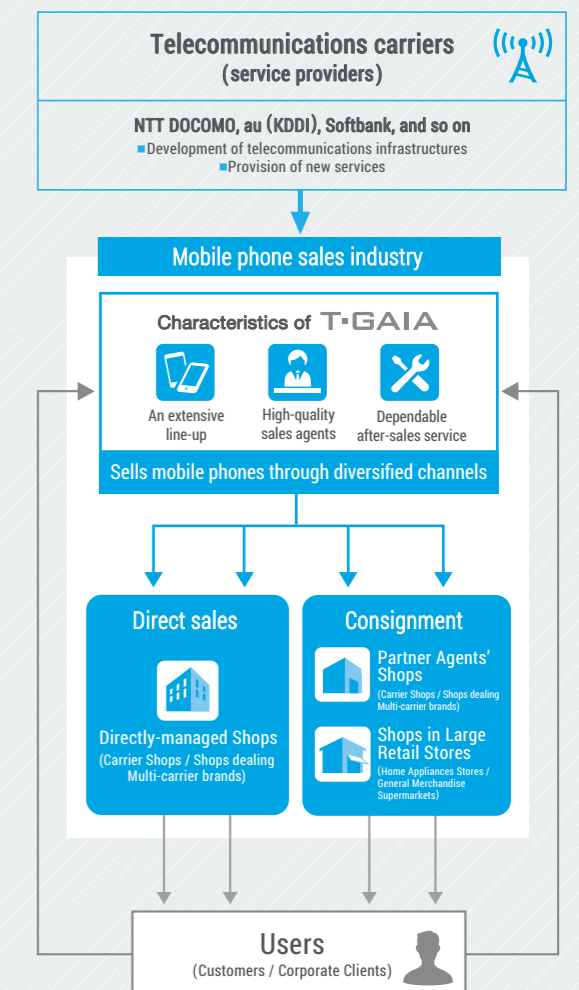
03 Our proposals for diverse products and services with added value provide total support to customers' Smart Life

Recently, shifts not only from feature phones to smartphones but also from PCs to tablets have been taking place. The total numbers of tablets shipped was 8.63 million in 2017. The market is expected to expand further with the release of Windows tablets in 2018. (Source: MM Research Institute, Ltd.) Under these circumstances, we are focusing actively on the sales of tablet PCs while providing customers with real experiences using the devices by giving specific explanations on the functions of tablet PCs and proposing various ways to meet customer needs and use scenarios, such as the combined use of a feature phone or smartphone with a tablet PC. Furthermore, we provide total support to customers with the aim of realizing a smart life by proposing products and services not limited to the sales of mobile terminals but also the sales of related products and services with added value to meet the needs of customers.



02 Development of appealing shops and the promotion of various contact points with customers

Not only our corporate head office but also our regional headquarters and branch offices across Japan implement local area marketing that best fits the local conditions of each area, while ensuring consistency with telecommunications carriers' regional strategies. Our shop concepts are largely divided into two types – suburban and city center types. We will utilize our ability to produce and coordinate carrier shops gained from abundant experience to handle every step from the proposal of plans to implementation in response to the environment in each area. In addition, we aim to become an attractive shop chosen by our customers as we expand our carrier shops through changes in location, renovations, and expansion. What is more, we are promoting the diversification of contact points with customers by visiting places and facilities convenient for customers to sell our products.





Bases for Business & Sales Operations

Our diverse sales channels covering nationwide and our wide-ranging contact points with customers offer high-quality services

Our sales network covers Japan nationwide.

Our diverse sales channels consist of approximately 2,000 shops, ranging from our directly managed carrier shops to shops run by partner agents and shops by our business partners, such as large retail stores and general merchandising stores (GMS).

We also focus on developing new contact points with customers, such as places and facilities convenient for them.

While our collective strengths and economy of scale are competitive advantages, we also focus on better communication to ensure that we can stay connected to people in meaningful ways.

Each of our shops serves as the forefront of ensuring and keeping good communication with our customers.

We are committed to providing high-quality attentive services to customers at all times.

01 Directly managed shops with advanced expertise accumulated through day-to-day learning ensure customer satisfaction

Our staff of directly managed shops have been trained through our original training programs offered by the Career Design Academy, a training and education center operated by T-Gaia. They also use a knowledge-sharing application, called Tanren, which offers the examples of scripts using video clips to learn and improve their customer service skills daily. Equipped with a wealth of knowledge, experience, and know-how, our staff will be there to help customers with a full line of services.

02 Sharing know-how with shops operated by partner agents

Our expertise in shop operations, which has been nurtured based on our experience and knowledge in operating our directly managed shops, is effectively utilized in the operation of shops managed by partner agents across the country. We continuously make efforts to further raise the quality level of the services of the entire T-Gaia Group.



(as of March 31, 2018)

The number of T-Gaia Group's sales base

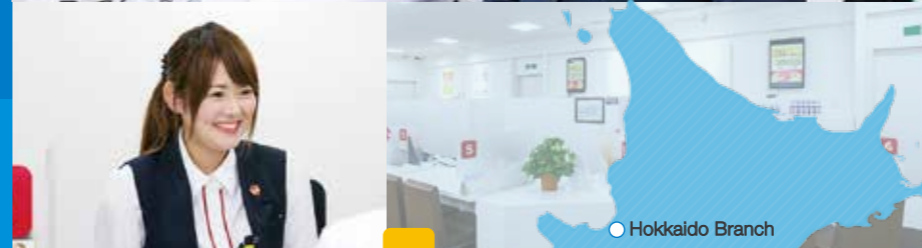
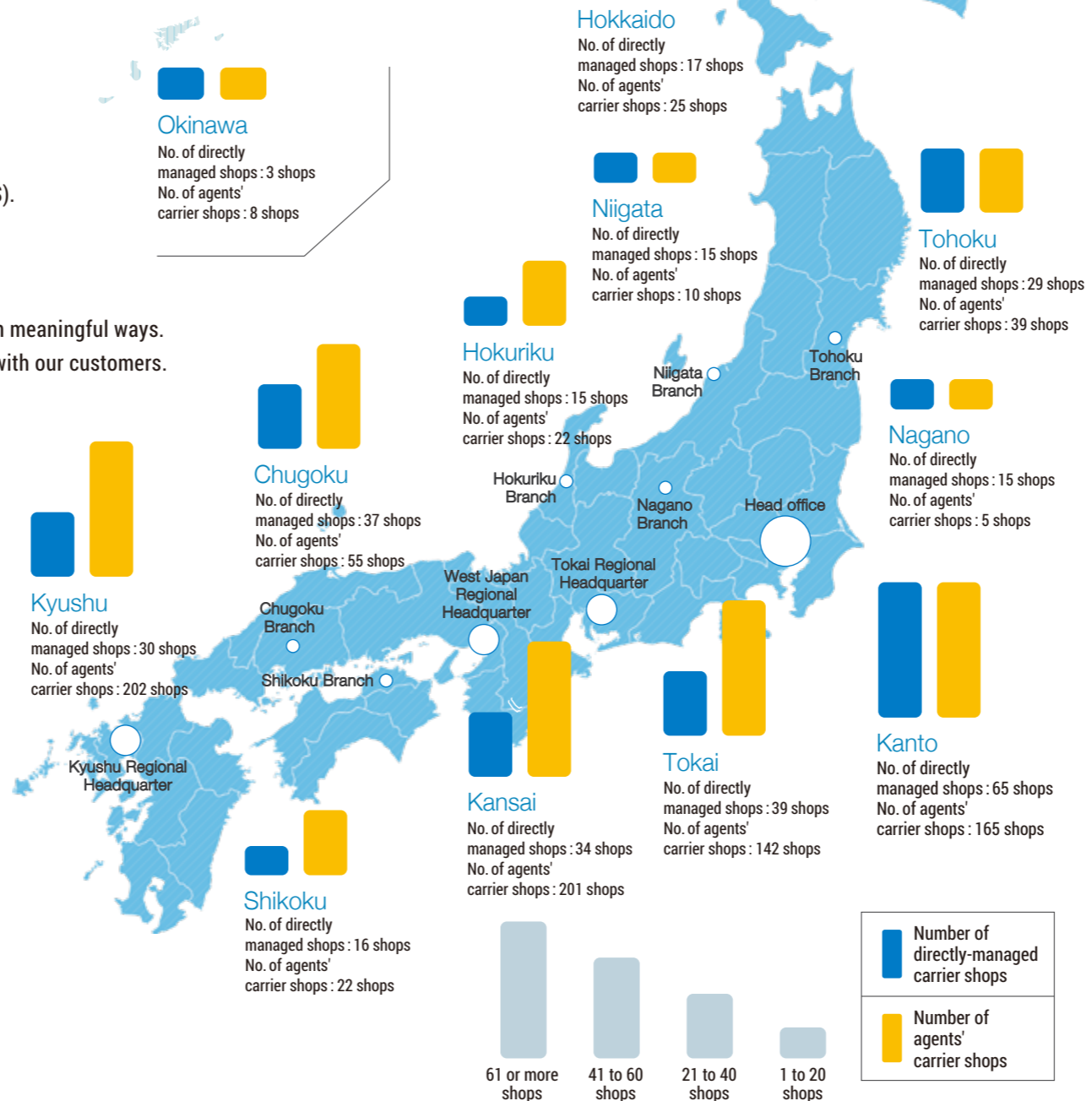
1,981

shops

(inc. accessory shops)

including

1,211

carrier shops

Head office, Regional Headquarters and Branch Offices

Head office	Ebisu Neonato 14-18F 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575 TEL:03-6409-1111
West Japan Regional Headquarter	Dojima Avanza 15F, 1-6-20 Dojima, Kita-ku, Osaka City, Osaka Prefecture 530-0003 TEL:06-4560-6600
Tokai Regional Headquarter	Nagoya Intercity 6F, 1-11-11 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture 460-0003 TEL:052-223-8700
Kyushu Regional Headquarter	Hakata Gion Center Place 10F, 7-20 Gionmachi, Hakata-ku, Fukuoka City, Fukuoka Prefecture 812-0038 TEL:092-283-7600
Hokkaido Branch	Sumitomo Corp. Fukamiya Odori Bldg. 8F, 8-2 Odori-nishi, Chuo-ku, Sapporo City, Hokkaido 060-0042 TEL:011-241-2525
Tohoku Branch	Renart Sendai 13F, 2-15-1 Honcho, Aoba-ku, Sendai City, Miyagi Prefecture 980-0014 TEL:022-713-6001
Niigata Branch	N-Bldg. 3F, 1-1-24 Kamitokoro, Chuo-ku, Niigata City, Niigata Prefecture 950-0994 TEL:025-247-7077
Nagano Branch	Eastgate Nagano Bldg. 6F, 991-1 Kurita, Nagano City, Nagano Prefecture 380-0921 TEL:026-267-7220
Hokuriku Branch	Kanazawa Park Bldg. 3F, 3-1-1 Hirooka, Kanazawa City, Ishikawa Prefecture 920-0031 TEL:076-222-3300
Chugoku Branch	Hiroshima Green Bldg. 8F, 8-12 Nakamachi, Naka-ku, Hiroshima City, Hiroshima Prefecture 730-0037 TEL:082-546-2811
Shikoku Branch	Nissei Takamatsu Bldg. 9F, 1-1-5 Bancho Takamatsu City, Kagawa Prefecture 760-0017 TEL:087-811-2361



Enterprise Solution Business



Proposing tomorrow's telecommunication solutions in a creative manner

We, T-Gaia, as the primary agent for telecommunication operators, will contribute to create tomorrow's telecommunications environment by exerting our three characteristics, which are good partnerships with all major telecom operators, skill of proposals for a variety of products adapted to the market, and excellent sales and marketing operations throughout the country.



Providing terminals and communication lines as well as optimal operation plans and solutions that meet customer needs

Mobile phones, smartphones, tablets, and other mobile communication devices have become extremely important information assets for companies. However, they often face a major challenge in properly operating these devices because their service contents have been increasingly sophisticated and diversified. Enterprise Solution Business Division responds to these issues by providing terminals and communication lines as well as tools to resolve issues on management and operation, improving operational efficiency, and implementing security measures, and proposing optimal operation plans and solutions to meet customer needs.



01 Management and Operation

movino star, a comprehensive communication line management service, is a total platform for management, operation and expense settlement

With the rapid popularization of smartphones, tablets, etc., telecommunication devices have become increasingly more diverse. In response to these circumstances, our movino star cloud service caters to a broad range of needs for the management of various communication devices, management of licenses, such as MDM, and fixed-line telephones used by corporate clients while also reducing costs through efforts to raise operational efficiency. Additionally, by combining it with our Smart Support service, movino star helps customers reduce the operational load and reduce costs through improvement of operational efficiency, both effectively and comprehensively.



"T-GAIA Smart SUPPORT" provides full support for the best use of smartphones, tablets, and PCs

By providing T-Gaia Smart Support, our solution package based on the know-how gained from our experiences as a primary distributor for telecommunications carriers, our clients receive one-stop support in all stages from the introduction of devices, such as smartphones, tablets, and PCs, to operation and management.

Four Solutions provided by T-GAIA Smart SUPPORT

Help Desk

We act as IT management staff of our corporate clients and respond to inquiries from employees regarding the use of the devices and arrange for replacements when devices fail.

Security Desk

We provide remote device locking and wiping (data initialization) services 24 hours a day, 365 days a year as countermeasures against theft or loss of devices.

When introducing a device, we provide support with the following:

- Selection of a device (OS)
- Selection of a security tool
- Selection of communication services
- Establishment of an operation policy

During operations, we provide support with the following:

- Handling of user inquiries on the device
- Operation of the device in compliance with the security policy
- Management and operation of the device
- Handling of device failures
- Collection of devices

Comprehensive Support to Corporate Clients

Master Management Services

We handle the updating of employee data to the master data management tools for movino star, MDM, and EMM tools for our clients.

Kitting Service

We set up devices in advance on behalf of each client to enable a smooth start-up.

02 Security Measures

Providing one-stop Mobility Management & Security Solutions that fit the requirements of each client

Smart devices, such as smartphones and tablets, are currently transitioning from the adoption stage to the utilization stage where they become even more closely linked to our business operations. Because of this, the scope of mobility management that companies demand is steadily expanding. The key point to successful adoption is realizing both a high level of security and usability. We use the knowledge gained from various proposal activities towards our clients and the prediction of new trends in solutions to propose optimal security and management solutions.

03 Improving operational efficiency

Promoting a new way of working using the business messenger

A conventional communication tool within a company was email, but along with the spread of smart devices in recent years, there is a growing demand for speed and mobility in our communications. Business messengers are one solution to this, and it is attracting a lot of attention. Business messengers have different characteristics depending on the company providing the service. We can provide a service that goes beyond the talk functions to connect to other systems, and you can select the functions you need depending on the purpose and usage. By using business messengers, you can increase your productivity and realize true Workstyle Reform.



Approx.

1,400
companies
movino star subscription
(FY 2017)

Major telecommunication operator business counterparts (service providers)

NTT DOCOMO, au (KDDI), Softbank, and so on

We support the acceleration of business with GigaCC offered by WAM!NET Japan K.K.

WAM!NET Japan K.K. is a consolidated subsidiary of T-GAIA that provides cloud-based services for the transmission of large volume data and sharing of information for corporate clients. Their core service, GigaCC, is one of the industry's top-class online storage services that promote communication within a company while also ensuring security and it has been adopted by many of our corporate clients.



Promoting a new enterprise business solution intended for specific industries

Building of a Wi-Fi network for healthcare and nursing care industry

Nursing facilities began implementing IoT solutions on a full scale, and various types of monitoring sensors for the elderly have been in service. T-Gaia engages in the design and installation of ICT networks to construct communication infrastructures for corporations to offer the most suitable network systems for customers, such as Wi-Fi, BLE, and LPWA. In addition, we proactively develop new services by employing our unique LPWA and AI technologies to provide one-stop solutions from communication infrastructures to mobile devices that T-Gaia can offer.

A business partnership with PC Technology, Inc., a call center operator

In 2017, we formed a capital and business partnership with PC Technology, Inc., a company that mainly operates call centers for ICT devices. The company is expanding its Life Cycle Management (LCM) services that provide a one-stop solution for everything from the purchasing and management of ICT devices, maintenance, and help desk operations to repairs and device exchange. Additionally, they have recently started operating call center services for schools, supplying ICT support staff to schools, and providing ICT support to the education industry. In the future, through continuous cooperation with PC Technology, we will work to improve the services of TG Smart Support to respond to LCM services for ICT devices, such as smartphones, tablets, and computers, and strengthen our sales capabilities for the education industry.



Collaboration with V-Growth, a company offering tablet solution business for the education industry

T-Gaia invests in SRJ Co., Ltd., a developer and distributor of digital education contents to diffuse the use of tablets in education to enrich classroom learning. In addition, as a joint venture with SRJ, we operate V-Growth Co., Ltd. to design, develop, implement, and support the operations of infrastructure necessary for ICT in the classroom, such as the infrastructure layer and application layer. V-Growth has expertise in the introduction of tablets and applications with a customers' perspective at schools, as well as the construction, maintenance, and operational support of Wi-Fi networks. In the future, we will promote and further expand the services in the ICT education sector while jointly introducing ICT systems in the healthcare industry, nursing care industry, and other industries with room for expanded use of ICT.



Network Marketing Business



Smart Life Business Accessories



Contributing to creating a network environment for the future as a telecommunications carrier

As we face the full-scale arrival of the age of IoT, the importance of communications networks in the business world is growing, and we expect there to be a need for high-level telecommunications consultancy. T-Gaia will continue to provide our customers with cutting-edge telecommunications services as a team of professionals in network services.

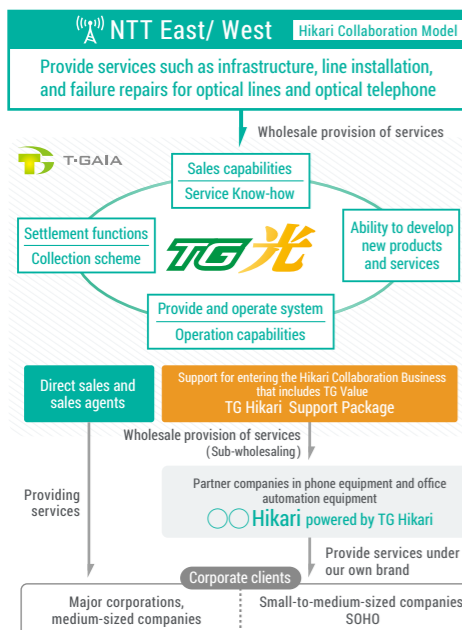


01 T-Gaia providing service as a telecommunications carrier



TG Hikari is a service provided by T-Gaia in response to the fiber-optic access service wholesale business started by NTT in 2015. Acting as a power and telecommunications carrier, we provide our own unique optical access services to corporate clients. We propose convenient environments for corporate infrastructures by providing high-quality broadband lines and a wide range of optional services that includes fiber-optic telephone services, Wi-Fi services, and security measures, and we help customers realize improved operation efficiency.

We also provide a TG Hikari Support Package to support companies in the start-up, sales, and operation of their fiber-optic access service businesses, and actively support companies that wish to enter this business. The number of companies that have adopted our program has exceeded 250 companies. (*We hold a dominant No. 1 position in terms of the number of wholesale transaction companies.) Partner companies that have adopted our program, mainly small-to-medium-sized companies and SOHO, have expanded TG Hikari's rebranded lines throughout Japan.



- Optical Access Service (Fixed line)**
 - Optical telephone (Mass market-type, Office-type)**
 - Internet Connection Service** (Our own internet provider service with a fully equipped backbone.)
 - Wi-Fi Service** (We will leave you all ready to go with our full support service from adoption to actual use.)
 - Cloud cam services** (The unit safely stores high quality images up to 360 days.)
 - Cloud Data Backup** (Automatic backup for your important data as a measure against ransomware.)
 - Business software** (You can download all the software you need from a collection of over 100 software programs.)
 - Office Computer Support** (Call us for support on anything from computer settings to operation procedures.)
 - 24-Hour Onsite Repair Support** (If you experience network problems, we provide secure response 24 hours a day, 365 days a year.)
 - Power supply service** (Max. 13% reduction in your monthly electricity bill!)
- We plan to continue to launch new products and services in addition to those introduced here.

Please refer to the TG Hikari Website for details. >><http://www.tghikari.com/>

Making individual smart life much more enjoyable

The market scale of peripheral devices and accessories such as smartphone and tablet-related devices is expected to expand from ¥130 billion in the fiscal year ended March 2013 to ¥335.6 billion in the fiscal year ending March 2017, and is expected to expand to ¥368 billion in fiscal 2020. (estimate by Seed Planning, Inc.) We commenced the operation of smartphone accessory shops in November 2012 to meet the needs of the accessory market that has been expanding year by year.



01 Sale of smartphone cases and various other products related to smartphones



The smartphone accessory shops, SmartLabo, provide a wealth of fashionable products for customers' smart life, including iPhone and Android smartphone cases, screen protection films, batteries, earphones, headphones, speakers, Bluetooth gadgets, and other items. We are also working to expand the range of SmartLabo's original smartphone cases. We operate a total of 18 real shops nationwide (as of the end of March 2018) with our brand name of Smart Labo and our higher end shop Smartlabo.style to meet a wide variety of customer needs.

02 T-Gaia runs a collaboration shop with Rakuten Mobile

By taking advantage of T-Gaia's strengths to deal with both mobile terminals and smartphone accessories, we operate four collaboration shops (as of the end of April 2018), Smart Labo, jointly with Rakuten Mobile. A collaborative shop blends well with fashion tenant buildings and fashion floors among other accessory shops, making it easier for customers to stop by anytime. We will continue to open similar collaboration shops in the future.



2.454 million people

The total number of customers visited to our directly managed accessory shops, Smart Labo, (including Smartlabo.style) (in FY 2017)



Smart Labo Private Brand



Etincese

The theme of Etincese is travel. The products all have unique designs that look great on social media and high functionality. We have a wide range of items from iPhone cases, versatile cases that fit all models to phone purses.



Bellezza Calma

Bellezza Calma is created by combining Italian words and means "calm aesthetics" and "tranquil beauty." As the term suggests, the design of smartphone cases pursues simplicity without waste to target wide-ranging users of all ages and genders.

Smart Life Business Settlement Services

Supporting a "Smart Life" through settlement services in Japan and overseas

As to settlement service business, we will pursue further growth focusing mainly on prepaid settlement-related businesses.

By making the most of the expertise of the settlement service accumulated in Japan, we will continue taking on a challenge in new businesses including overseas business development in an effort to create new corporate values.

01 Rapidly expanding prepaid settlement-related business

Our prepaid settlement-related business, which started with the sale of prepaid mobile phones, has been steadily expanding mainly by developing our card mall business from our sales channel of convenience stores nationwide using the sales of prepaid cards and prepaid codes (Personal Identification Numbers), as well as plastic gift cards. We aim to expand our prepaid settlement-related business further by responding to the ever-evolving settlement-related market.



Seven-Eleven, LAWSON, FamilyMart, Circle K Sunkus, MINISTOP, Daily YAMAZAKI, Seicomart, SAVE ON, NEWDAYS, COMMUNITY STORE, SAPPORO DRUG STORE, Daiei, WonderGOO, MR MAX, Odakyu Shoji Co., Ltd. (and others including some of our directly managed shops)

02 Gift Card Mall Business



*Amazon, Amazon.co.jp, and their logos are trademarks of Amazon.com, Inc. and their subsidiaries.
*BitCash and their logo are registered trademarks of BitCash, Inc.

As the core of our settlement services, we are developing the Card Mall Business by leveraging gift cards whose market has been steadily expanding in Japan, and we are diversifying our sales channels and gift card issuers. By leveraging our expertise that has been nurtured through the sales of mobile phones and PINs, we offer fine-tuned services, from the design of point-of-sale displays and the delivery of gift cards to promotions and call center operations. Through the growth of this business, we aim to develop the prepaid gift card market and create the so-called casual gift market in Japan.

03 Extensive network with convenience stores

Our settlement service is being offered in major convenience stores, which are part of a vast sales channel network covering almost all convenience stores in Japan. We will strive to further enhance the settlement services and improve customer convenience concurrently with the development of convenience stores, thus providing services that contribute to society.



It is an identification number to which the amount information is attached by using a string of letters comprising a combination of alphanumeric characters. Also, it is a generic name for prepaid online money used in payment for online shopping, online game, music distribution services, and the charges for international phone calls and calls via prepaid mobile phone.



*Web Money and their logo are registered trademarks of WebMoney Corporation.



04 Synergy creation by acquiring the ownership of Quo Card Co., Ltd.

In December 2017, we acquired 100% ownership of Quo Card Co., Ltd. The company was established as Japan Card Center Co., Ltd., in 1987, Quo Card began the provision of prepaid card system (issuer) as a main business, and in 1995, it started issuing Quo cards that can be mutually used in participating stores. There are about 57,000 participating stores, including convenience stores, bookstores, and drugstores. Nearly 45 million cards are newly issued annually. The accumulated amount issued is approximately 1.25 trillion yen and the total number of cards issued is approximately 800 million cards (as of the end of March 2018). There is a plan to launch in-store digital payment services (payment using a smartphone, etc.), namely Digital Quo Card, in the future. By further expanding usage scenes and improving convenience through digitalization, we aim to meet a wide variety of customers' needs for gift giving. Quo Card will continue to be a communication tool that connects people. We strive to accumulate trust from customers, which is the basis of the business.



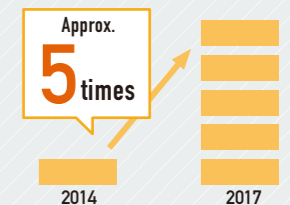
58,600 stores

The number of stores handling PINs and gift cards (as of March 31, 2018)

Settlement Service Business



In November 2013, we established T-GAIA Asia Pacific Pte., Ltd., an overseas subsidiary in Singapore. We have started sales of gift cards across Singapore. Because Singapore has the highest per capita national income in Asia, we are seeing a steady growth in sales.



Transition of gross sales of gift cards in Singapore

Under our Overseas Trainee Program for young employees, we sent employees to work fulltime in Silicon Valley, USA, where the gift card business is booming. We are promoting communication with our partner companies to gather the latest information on ICT.



Reinforcing the development of human resources and shop operation skills through the training curriculum at TG Academy

01 Education and Training Programs at TG Academy

In April 2012, we opened TG Academy and have focused on the education of sales staff since then. TG Academy conducts its daily activities with the aim to strengthen the minds and skills of the sales staff to improve the quality of sales, as well as to further enhance customer satisfaction. Through employee education using a wealth of training programs and CDA Online (video learning services provided by Career Design Academy), we support the upskilling and career development of employees. In addition, by making an effort to establish the TG Way, important guiding principles for sales staff, during training, we ensure that all sales staff members have a shared awareness of the social significance of our sales activities. We also implement efforts to secure work-ready employees and enhance motivation by holding collective training for new employees hired at all sales bases nationwide. Additionally, we promote the development of human resources and shop operation skills through a comprehensive education curriculums and training programs to enhance sales capabilities and improve shop operation.



Corporate Logo

The corporate logo of CDA represents a compass and a diamond. It means that the company will play the role of a compass that guides customer career development to achieve social lives as bright as diamonds.



02 Career Design Academy

Along with the recent rapid dissemination of smartphones and tablets and the expansion of services handled by shops, mobile phone shops and their sales staff are required to have advanced explanation and presentation skills, as well as the capability to manage shops, including shop operations, which is indispensable for achieving prompt customer service. Additionally, in all industries including the mobile phone sales industry, an appetite for investment in human resources to enhance the capabilities of frontline sales staff, who serve as the key to the development of any company, has been increasing. Our group company, Career Design Academy (CDA) Co., Ltd., offers high quality and highly practical training programs to meet the needs of corporations. The company offers CDA Online where users can learn anytime anywhere without commitment. In the future, the company will develop a new education market that integrates collective training and video learning. To create a bright future for corporations and employees, we will continue to strive extensively offering our educational expertise through the Career Design Academy.

Building a diverse workforce, where all sorts of employees could play an active part.

Efforts to Promote Diversity

We propose and provide mobile phones and smartphones as well as related products and service to a wide variety of customers, while these products and services evolve and diversify day by day. Under these circumstances, we see the importance to respect and promote the diversity of the employees, and take positive actions toward it as they are in the position to provide services to each customer to meet their needs.



T-Gaia wins the White Company Awards organized by the Japan White Spread (JWS) for two consecutive years!

In 2017, as part of our diversified Workstyle Reform project, we adopted and promoted the variable work time system (internally called Meri Hari Shift). As a result, we received the Work Hours Reduction Category Award. Also in 2018, our efforts to comply with the laws and systems related to child raising, as well as to support work-life balance, were recognized and granted the Child-Raising Support Award in consecutive years.



Promotion of the Empowerment of Women

We are focusing on promoting the empowerment of women "positive action" with the aim to create an organization where the employees can build their career and fulfil their potential regardless of gender.

Child Care Support and Career Support

We are making an active effort to support child care and the career development of female employees by enabling them to aim to get ahead in their career after giving birth while balancing child care and work.

In 2013 Established the Female Empowerment Promotion Project Team

Child Care Support

Child Care Leave program that exceeds the legal standards
(Employees can take leave up to the end of the business year in which the child reaches two years old)

Provide support funding for employees who return to work within one year of giving birth

Provides a three-course program for the Child Rearing Reduced Work Hours that consists of 5-hour, 5.5-hour, 6-hour, and 7-hour courses.
(Can be obtained until the child finishes the third year of elementary school)

Provide support funding to employees in sales positions who are raising children and who have chosen to work full time.
(For children up to the end of their third year of elementary school)

Career Development Support

Held Career Training for Female Employees to nurture leaders and leadership candidates among the female employees.

Adopted Job Return Program.
(Program for the re-employment of employees who left the company to give birth, raise children, provide nursing care for family members and for other personal reasons)

Hold information exchange sessions for employees currently taking childcare leave.

Employment of Physically or Mentally Challenged Persons

Individuals who have a variety of handicap (physical, mental, developmental, intellectual) use their abilities and aptitude to work as health keepers at our employee massage room, as sales and administrative staff at our Head Office, Regional Headquarters, and Branches and staff at our mobile phone shops. To make sure they feel comfortable working with us for long time, we prepare their work environment and willing to show considerations where needed.

Examples of Measures Implemented

Accommodate shorter work hours (from six hours/day) depending on their conditions.

Reduce worries regarding work by holding periodic interviews with HR staff.

Share information through cooperation with support organizations for physically or mentally challenged people to ensure continued employment.

Make an effort to cultivate a sense of camaraderie by holding exchange meetings and lunches with other physically or mentally challenged employees.

In the future, we will continue to provide employment opportunities so that employees can achieve self-actualization through work at T-Gaia.



For healthy mind and body of employees.

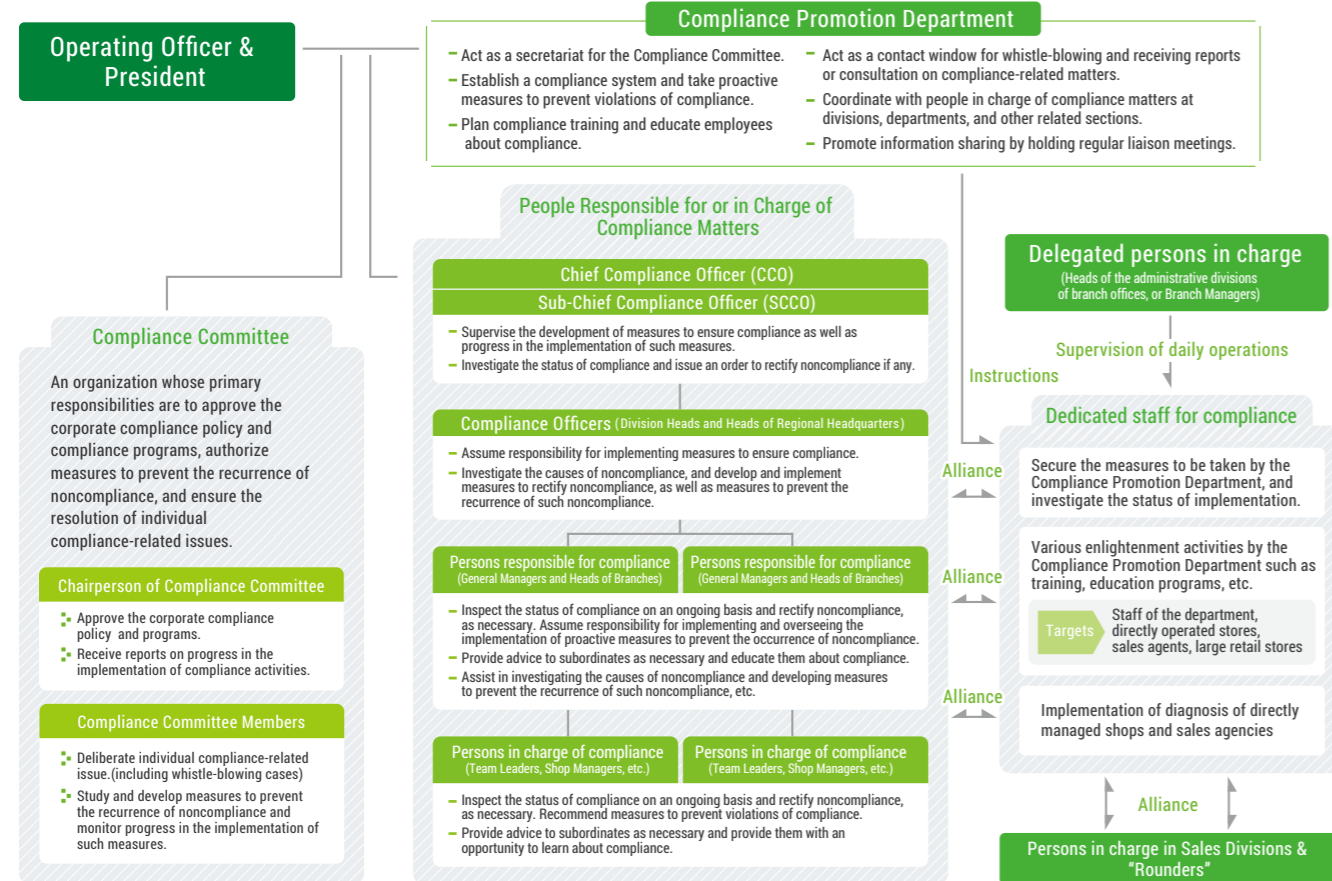
T-Gaia launched a new health management team in April this year to support the overall health of employees with the goal of maintaining and improving the health of both mind and body, for a better performance of the entire company. Continued from the T-Gaia Health Consultation, an external consultation desk opened in July 2017, an internal consultation desk, TG-Support Lounge, opened in April 2018. The TG-Support Lounge serves as a place of refreshment to support employees offering a face-to-face counseling by an internal industrial counselor. In addition, employees can receive massages by a full-time physiotherapist with visual impairment in massage room.

Strengthening the compliance system and promoting internal awareness activities

The T-Gaia Group positions compliance as one of top priorities in business management and has the Compliance Committee led by a chief compliance officer (CCO) in place. In the committee, various issues related to compliance are discussed for further improvement. By appointing an employee dedicated to compliance in each business base and establishing the Compliance Promotion Department as a permanent compliance promotion organization under the direct control of the President, we make ongoing efforts to maintain and strengthen

the compliance system and enhance employees' compliance awareness through internal enlightenment activities. The T-Gaia Group shows its commitment to compliance to all executives and employees by distributing compliance manuals and providing compliance education. Furthermore, we have established several routes, including an internal contact point, external organizations, and law firms, for whistleblowing and compliance consultation to ensure the early identification and capturing of compliance issues and risk information.

Compliance Organization Chart



 T-Gaia Corporation obtained the PrivacyMark certification from the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) on July 7, 2011

PrivacyMark is a system in which compliance with the Japanese Industrial Standards Committee (JIS) Q 15001 Personal Information Protection Management Systems Requirements by business entities is confirmed and certification is given to those business entities that have a system in place to take all necessary steps to protect personal information. They are then granted the PrivacyMark to prove such certification and allowed the use of the mark in their business activities. While it provides many advantages, such as greater trust by client companies and customers and improved awareness of personal information among employees, it requires greater responsibility by these entities, that is, to take their commitment to the protection of personal information to a higher level. We will continue ongoing efforts to achieve the appropriate management of personal information and its continuous improvement.

Smooth Relationships with every Stakeholder under a Solid Governance System

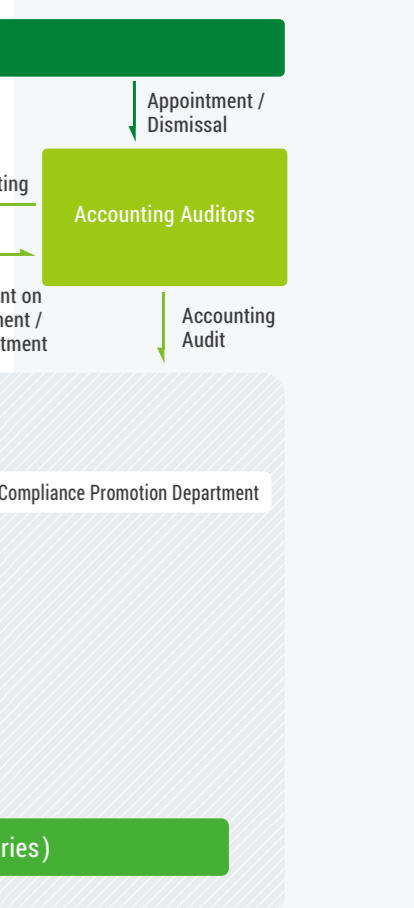
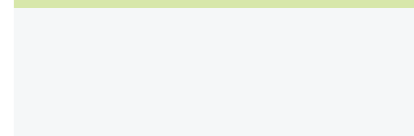
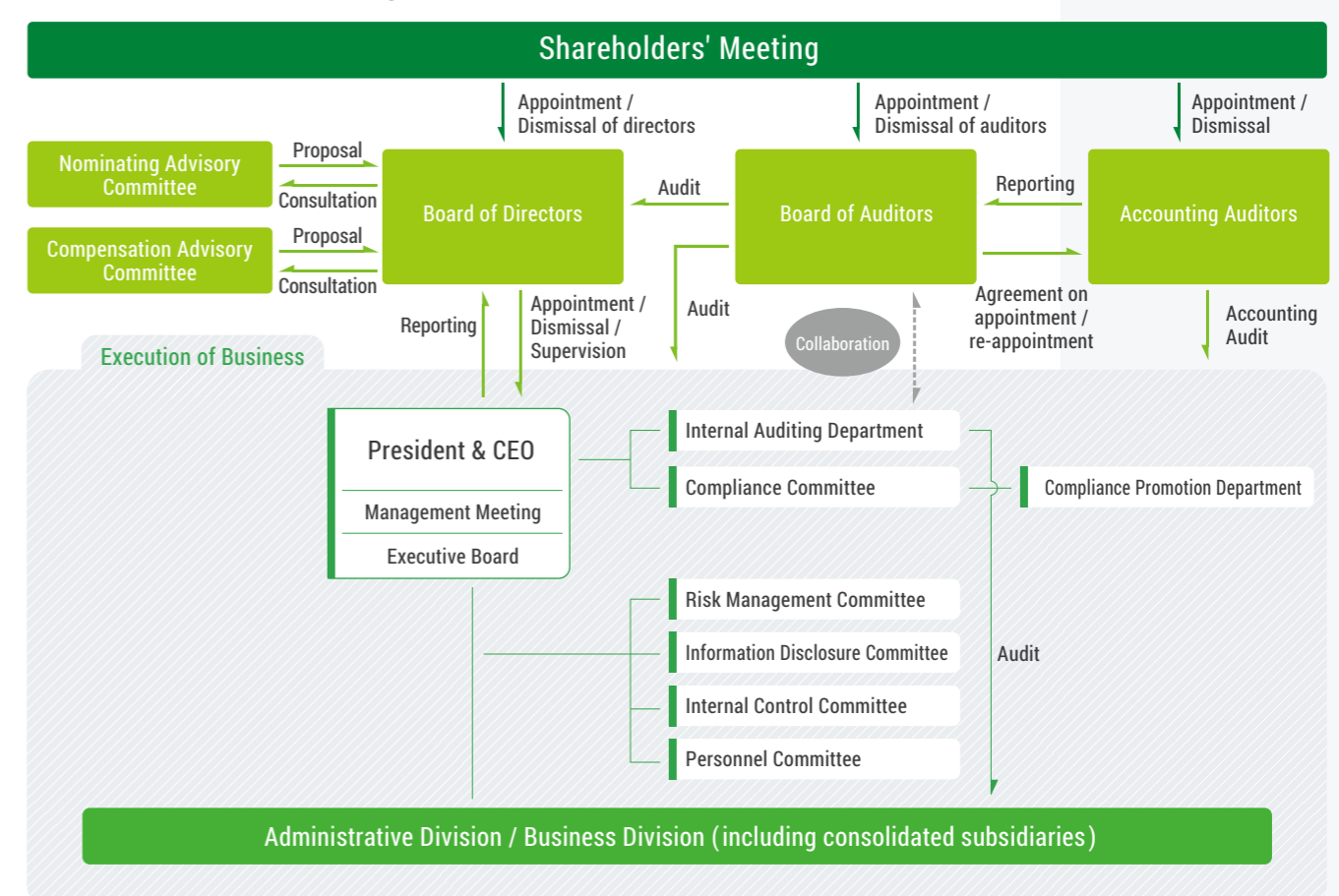
Corporate Governance Basic Policy

[Our Basic Policy regarding Corporate Governance]

T-GAIA deems corporate governance 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. It also believes that it should respect the rights and interests of stakeholders other than shareholders, such as customers, business partners, employees, and local communities and build smooth relationships with each of them.

Additionally, based on the awareness that a company's mission in society should be to execute the work environment while establishing and maintaining a better governance system, with regards to both ensuring transparency in management and maintaining and improving corporate value, we promote daily activities to create a framework for the system and improve its effectiveness.

Corporate Governance Organizational Chart

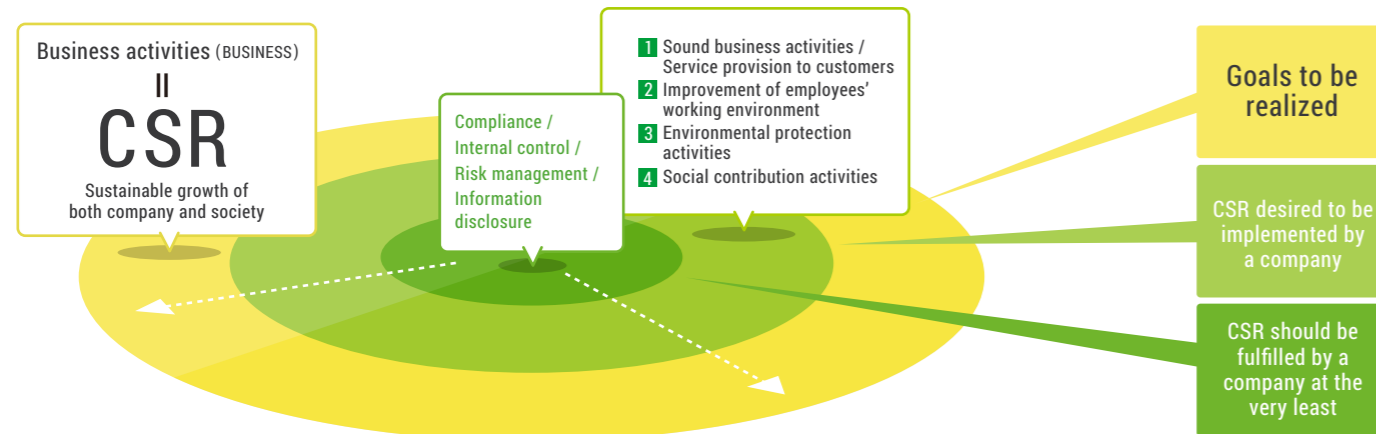


Conducting wide range of business activities for sustainable growth of company and society

Basic CSR Philosophy

By promoting the following CSR activities with the recognition of "Business Activities equal to CSR," we aim to realize the Sustainable Growth of the Company and Society, while giving due consideration to various stakeholders. For us, CSR, which should be implemented by the company, is not only compliance, internal control, risk management and information disclosure but also sound business activities, provision of proper services to our customers, improvement of employee's working environment, environmental conservation activities, and social action programs.

Stakeholders



e-Net Caravan activities

What we can do as a mobile phone distributor

To fulfill the responsibilities as a mobile phone distributor, T-Gaia takes active participation in enlightenment activities, called the e-Net Caravan, to promote the safe and secure use of the Internet and smartphones. We have many certified instructors of e-Net Caravan mainly mobile phone shop staff, who offer seminars for parents, teachers, and schoolchildren throughout the country. In April 2018, T-Gaia's chairperson, Shibuya, also held a seminar as an instructor.

A special e-Net Caravan website

Our special e-Net Caravan website introduces T-Gaia's activities.
https://www.t-gaia.co.jp/e-net_caravan/



e-ネットキャラバン



As of May 2018, the number of certified instructors of e-Net Caravan at T-Gaia: **346** employees

Environmental Initiatives

Solar panels were installed on the roofs of our directly managed shops



As part of our efforts to address global warming, we set up solar panels in our directly managed shops, DoCoMo Shop Geino, and DoCoMo Shop Nishiharu, in January 2018. We will plan on further expanding the installation sites in 2019.

Major CSR activities, which have been conducted by T-Gaia Corporation & its employees

Organizations Supported by T-Gaia

In support of the activities of Table For Two International (TFT), a non-profit organization, we promote the Cup For Two (CFT) Program, which applies the activities of TFT through beverage and food vending machines located in our company.



As part of our mécénat activities (to provide support for arts and cultural activities), we sponsor the Japan Philharmonic Orchestra, as well as to co-sponsor regular concerts.



As an official sponsor for the Japanese Para-Sports Association (JPSA), we co-sponsor activities to promote sports for people with disabilities and to develop athletes.



As a support member of the Eye Mate Inc., we continuously cooperate in the development of guide dogs.



As an official partner of the Paralympic Art by the Shougaisha Jiritsu Suishin Kikou Association, T-Gaia supports the projects to promote the independence of people with disabilities through the artworks created by people with disabilities.

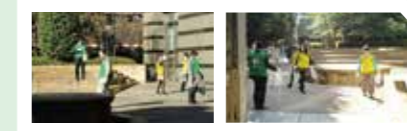


CSR Activities with Employee Participation

We actively conduct blood donation activities in response to the Japanese Red Cross Society's Blood Program.



We regularly carry out cleaning activities in the area surrounding our Head Office building in Ebisu.



We participate in the e-Net Caravan activity that supports the secure and safe internet activities of children.



We participate in the Eye City Eco Project activities to promote the collection of empty cases for disposable contact lenses.



We enhance diversity including the recruitment and promotion of female employees.



our employee Madoka Masumoto (right)

March 2017
 The 7th Sharjah International Open Athletic Meeting
 100 meters: 19.49 seconds (+2.0).
 Won a bronze medal for the third place.

March 2018
 The 10th Faza International Athletics Championships
 The 2018 World Para Athletics Grand Prix
 Dubai Championships
 100 meters: 20.45 seconds (+0.1) The fifth-place finisher.



our employee Yukari Minohara (right)

July 2017
 The 23rd Summer Deaflympics
 The 2017 Samsun Competition
 Cycling (Road) Individual female
 Time Trial
 30 kilometers:
 49 minutes 54.1 seconds
 Won a bronze medal



The CSR website opened.

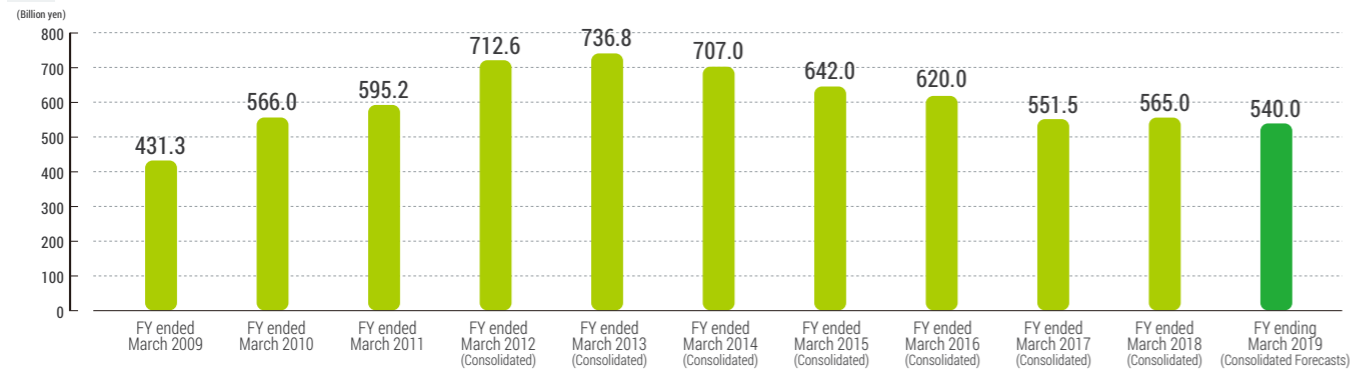
We updated our CSR website to better introduce T-Gaia's CSR activities.



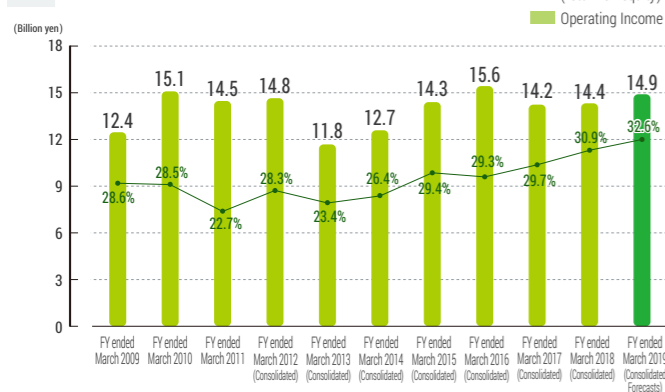
CSR website
<https://www.t-gaia.co.jp/company/csr.html>

Strengthening earning power through efficient utilization of capital

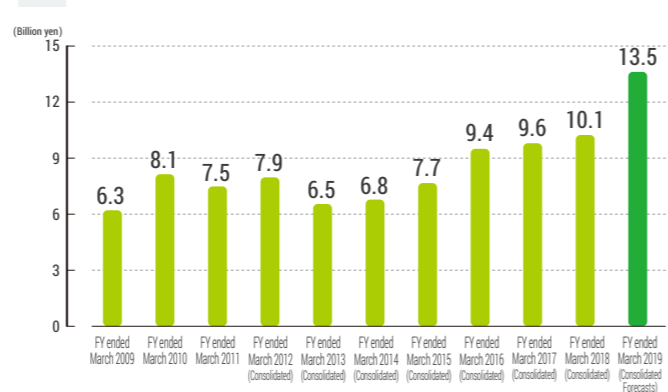
Changes in net sales



ROE (return on equity) & Operating Income



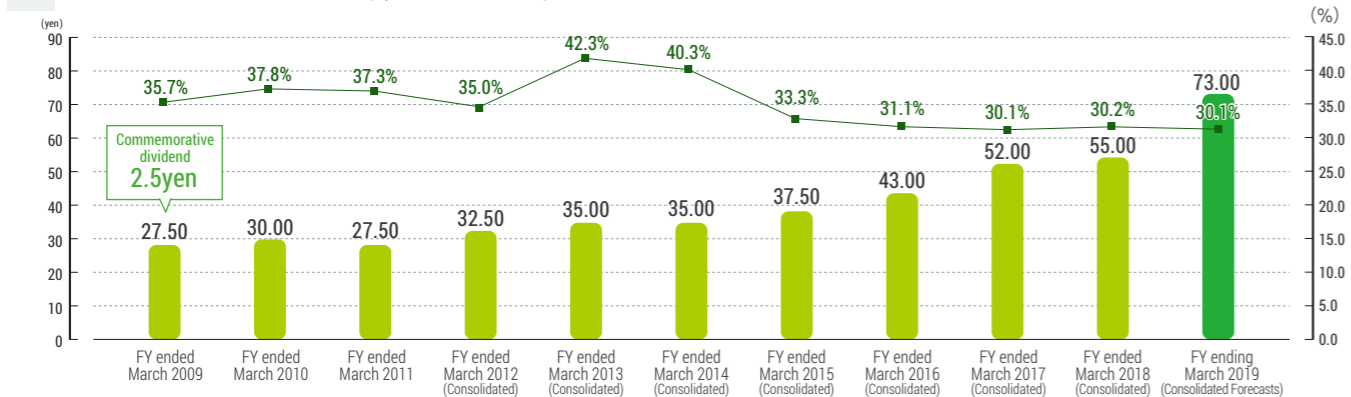
Net income attributable to shareholders of the parent company



Note: Telepark Corp. and MS Communications Company, Limited merged as of October 1, 2008 and the company name was changed to T-Gaia Corporation. Accordingly, the net sales, operating profits, and net profits attributable to the shareholders of the parent company for the FY ended March 2009 were calculated by adding results of the second half for T-Gaia Corp. to the results of the second quarter for Telepark Corp..

Note: The Company has started to prepare consolidated financial statements from the third quarter of the fiscal year ended March 2012 by reflecting that TG Miyazaki Co., Ltd. became a subsidiary as of December 1, 2011. However, as the effects of the consolidation on the Company's business performance are minor for the fiscal year ended March 2012 and are expected to be similar for the fiscal year ending March 2013 also, unconsolidated financial results are shown, as a reference, for the fiscal year ended March 2011 and the preceding fiscal years.

Transition of Dividend



Note: The payout ratio for the period ending March 2017 (forecast) is calculated based on the average number of shares (forecast) during the fiscal year ending March 2017.

Celebrating our 10th anniversary, we take a step forward to add another brilliant page to our history

Corporate Name

T-Gaia Corporation
Listed on the First Section of the Tokyo Stock Exchange (securities code:3738)

Location

[Head office] Ebisu Neonato 14-18F, 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575 Japan

Capital

3,154 million yen

Date of Establishment

February 1992

Major shareholders

Sumitomo Corporation

Board Members

Chairman, Board of Directors	Toshifumi Shibuya
President & Chief Executive officer	Nobutaka Kanaji
Director, Executive Vice President CFO	Soichiro Tada
Director, Senior corporate executive officer	Tsuyoshi Konda
Director	Tetsu Fukuoka
Director	Masahiro Miyashita
(Outside) Director	Toshiya Asaba
(Outside) Director	Kyoko Deguchi
(Outside) Director	Junichi Kamata
Corporate Auditor	Naoya Okutani
Corporate Auditor	Ryo Hashimoto
(Outside) Corporate Auditor	Toshiro Kaba
(Outside) Corporate Auditor	Tetsuo Kitagawa

Description of Business

- (1) Sales and distribution of mobile phones, etc. and sales agency business
- (2) Provision of brokerage services in the sales of solution, broadband and other telecommunication services
- (3) Settlement services and other new businesses, overseas business

Sales territory

All over Japan, Singapore

Number of employees

4,532 (as of April 1, 2018)

Main financing banks

Mizuho Bank, Ltd., The Bank of Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank Limited (*In the order of bank code)

(as of June 20, 2018)



Toshifumi Shibuya (Second from left)
Nobutaka Kanaji (Second from right)
Soichiro Tada (Right)
Tsuyoshi Konda (Left)



