

Summary of Q&A Session at Financial Results Presentation for Institutional
Investors & Analysts for the FY Ended March 31 2018

<Questioner 1>

Q1: What would be the forecast for the unit sales in Mobile Business segments in the FY ending March 2019?

A1: We are expecting one of our agent distributors will become a carrier's primary agent, so we forecast a loss of about two hundred thousand. Besides this, we are expecting our unit sales to be no less than those in the FY ended March 2018.

Q2: You forecast the income for the FY ending March 2019 to be higher than this year's even though you are expecting a less unit sales. Is this indicating that the profitability of the agent distributor that turned into a carrier's primary agent was not as good as you hoped for?

A2: The effects to our financial results were somewhat limited.

Q3: For Enterprise Solution Business segment, you are planning five hundred million yen of growth for the operating income but what is the backing for this?

Q3: We understand that more of our enterprise clients will continue to shift from feature phones to smartphones, and by adding values to our services we could see a further income extension than the actual unit sales of mobile phones. We assume our in-house service TG-Hikari would become profitable too.

Q4: By comparing the income from the hoarded QUO Cards of 0.87 billion yen for 4Q of the FY ended March 2018 to the forecast of 5.1 billion yen for the FY ending March 2019, there is a significant raise. Are you recognizing a continual growth in the income from the hoarded QUO Cards?

Q3: We have made a fine investigation to how each category of QUO Cards are being used and revised the method of our calculation of the income from hoarded cards to reflect the actual state. Also the outstanding amount of QUO Cards is increasing year by year. These factors also contribute to the increase of the hoarded QUO Cards in this fiscal year. We calculate the income from the hoarded Cards based on the cards issued five years ago to date and we do see ourselves very conservative way.

<Questioner 2>

Q1: Are you planning your camera solution to be used only in your directly-managed carrier shops? Or is this something you would expand to enterprise solution business or to other services?

A1: We have been investing in this not only as our sales tool but as a future enterprise solution service. To start with, we are planning to sell this camera solution as an additional service to optic fiber broadband service. The optic fiber broadband service has a resale service, so it could also be offered together with the Wi-Fi services. As we do supply retail interiors to our partner agents and other mobile phone shops, this could be a new sales channel too.

<Questioner 3>

Q1: What would you describe your situation in terms of overseas expansion of settlement services business? Are you thinking about any other countries than Singapore, Malaysia and Thailand? Is Joint-Venture with the local a must?

A1: We have been receiving orders from clients in these countries but it is still a relatively small amount. Our plan is to start off with the House-cards service and expand to the Gift-cards business, and in some cases, we offer CRM (Customer Relationship Management) business with these. We make decisions by examine the situation of the market and the laws and regulations of each country. At the moment, our focuses are on these three countries but other than these we view Vietnam as a large market.

About the shareholders of the local company, 75% is held by Value Design, a company, in which T-Gaia invests sells house-cards in Japan and T-Gaia holds 25%, therefore there is no local investment. The support abroad is offered by Sumitomo Corporation, our major shareholders.

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