



Non - consolidated 1Q Financial Results for FY ending March 2009

August 8, 2008



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*This material contains statements about the future performance of Telepark, which are based on management's assumptions and beliefs taking information currently available into consideration. Therefore, please be advised that Telepark'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 Telepark's principal markets as well as other factors detailed from time to time.

Outline of 1Q Financial Results & Forecast for FY ending March 2009



1Q Financial Results

Unit: Billion yen	08 / 3 1Q Results	09 / 3 1Q Results	YoY Increase / Decrease (%)	09 / 3 Interim Forecast	Achievement Ratio (%)
Net Sales	84.99	75.08	11.66%	177.00	42.42%
Gross Margin	7.06	8.01	13.44%	16.40	48.88%
SGA Expense	5.09	6.24	22.50%	14.05	44.45%
Operating Income	1.96	1.77	10.02%	2.35	75.36%
Ordinary Income	1.96	1.52	22.29%	2.30	66.30%
1Q Net Income	1.10	0.66	40.09%	1.05	63.14%
FCF	2.65	5.39	-	1.06	-
Dividend / Share (yen)	3,364.42	2,014.24	40.13%	3,349.35	60.14%

Mobile Business

Despite the overall market weakness with total handset sales down by 21% YoY, Telepark sold 753 thousand handsets down by 13% YoY.

Unit: Million yen	08 / 3 1Q Results	09 / 3 1Q Results	Achievement (%)
Net Sales	76,827.0	65,709.0	14.5
Operating Income	1,250.0	1,122.0	10.2

Network Business

“Myline” business posted stable income as budgeted. In FTTH (optical fiber) business, expansion of sales channel including acquisition of new sales agents contributed to increase in net sales as well as operating income.

Unit: Million yen	08 / 3 1Q Results	09 / 3 1Q Results	Achievement (%)
Net Sales	2,940.0	3,091.0	5.2
Operating Income	615.0	568.0	7.5

Settlement Service & Other Business

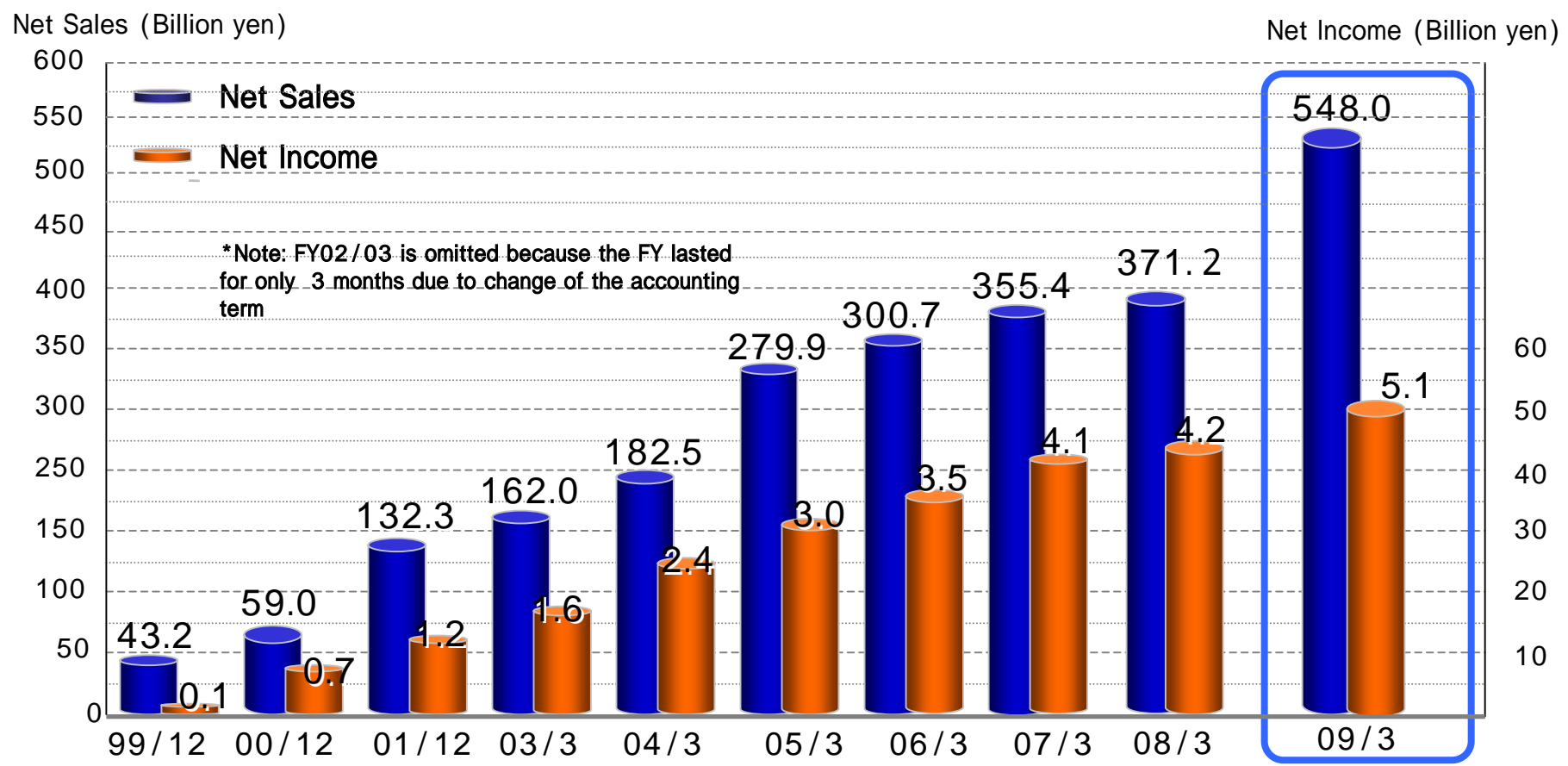
Though net sales increased with launch of “Prepaid Service” (PIN - related business) in collaboration with Seven Eleven Japan, operating income decreased due to the system - related expense.

Covering product sales using PIN system and products related to prepaid handsets

Unit: Million yen	08 / 3 1Q Results	09 / 3 1Q Results	Achievement (%)
Net Sales	5,228.0	6,284.0	20.2
Operating Income	102.0	79.0	22.5

Achieving Increase in Both Net Sales & Income for Ten Consecutive Years

Respond to the change in the mobile market environment flexibly Posted record-high Net Sales & Income
 1H: Financial results for Telepark, 2H: Financial results for T-Gaia, the merged company
 Total sales target of mobile handset for FY ending 2009 March: 6.25 million



Maximizing Corporate Value by Concentrating Resources on Mobile / Network and Related Business

【Challenge 5000: Targets for FY ending March 2009】

Net Sales : 500 billion yen

Mobile Market Share: 10% or Sale of 5 million Handsets



Maximization of Corporate Value

Mobile Business

Network Business

Sale, Activation and After-sales services Including Maintenance
Acquiring Subscribers for Fixed Lines Including "Myline", ADSL and FTTH

Concentration of Resources

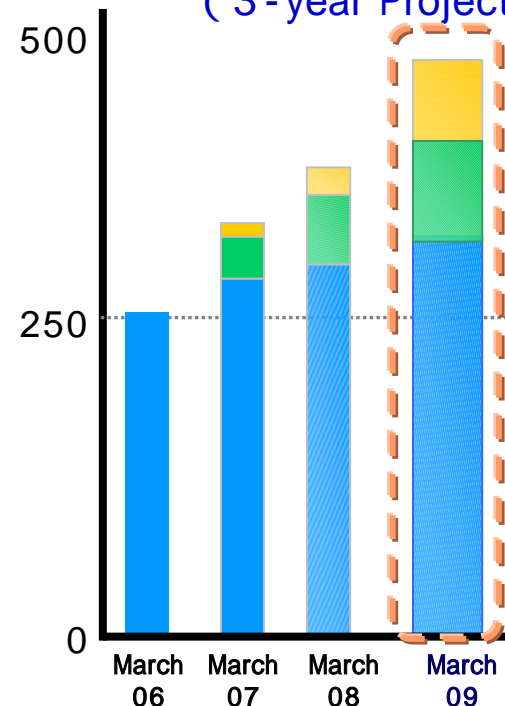
- Financial, Organizational and Informational Strengths
- Diversified Sales Channels
- Good Business Relationship with All Major Carriers

Business Environment

- Slowdown in Mobile Market Growth
Fiercer Market Competition
- Reorganization of Sales Agents
Good Opportunity for Business Expansion

(Billion yen)
Net Sales

Challenge 5000
(3-year Project)



KEY POINTS

New Business

Settlement Business

Network

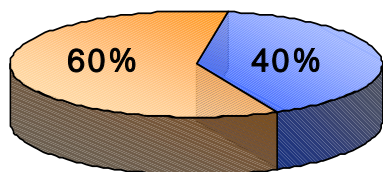
FTTH

Mobile

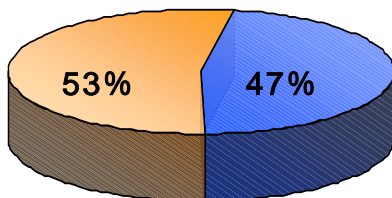
M&A / Grouping
Business Alliance
Volume Retailer
Sales for Corporate Clients

Accelerating Market Reorganization & Acquisition of Sales Agents via M&A / Grouping

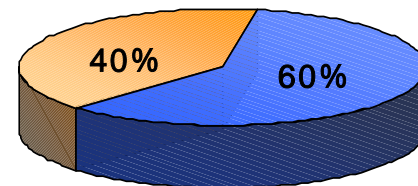
Past Market Share



Current Market Share



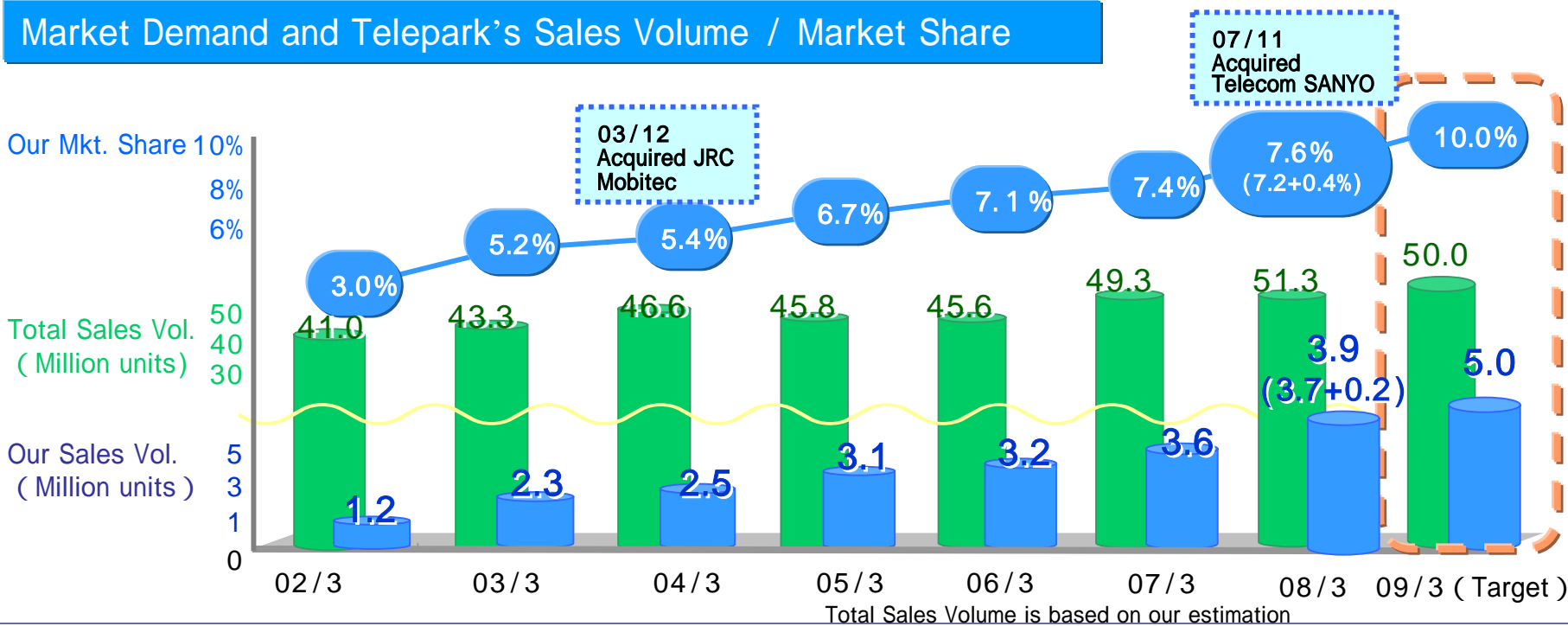
Future Market Share



- Ten Major Mobile-phone Distributors
- Regional Small & Midsize Distributors

*Based on Total Sales Volume in Japanese Mobile Market

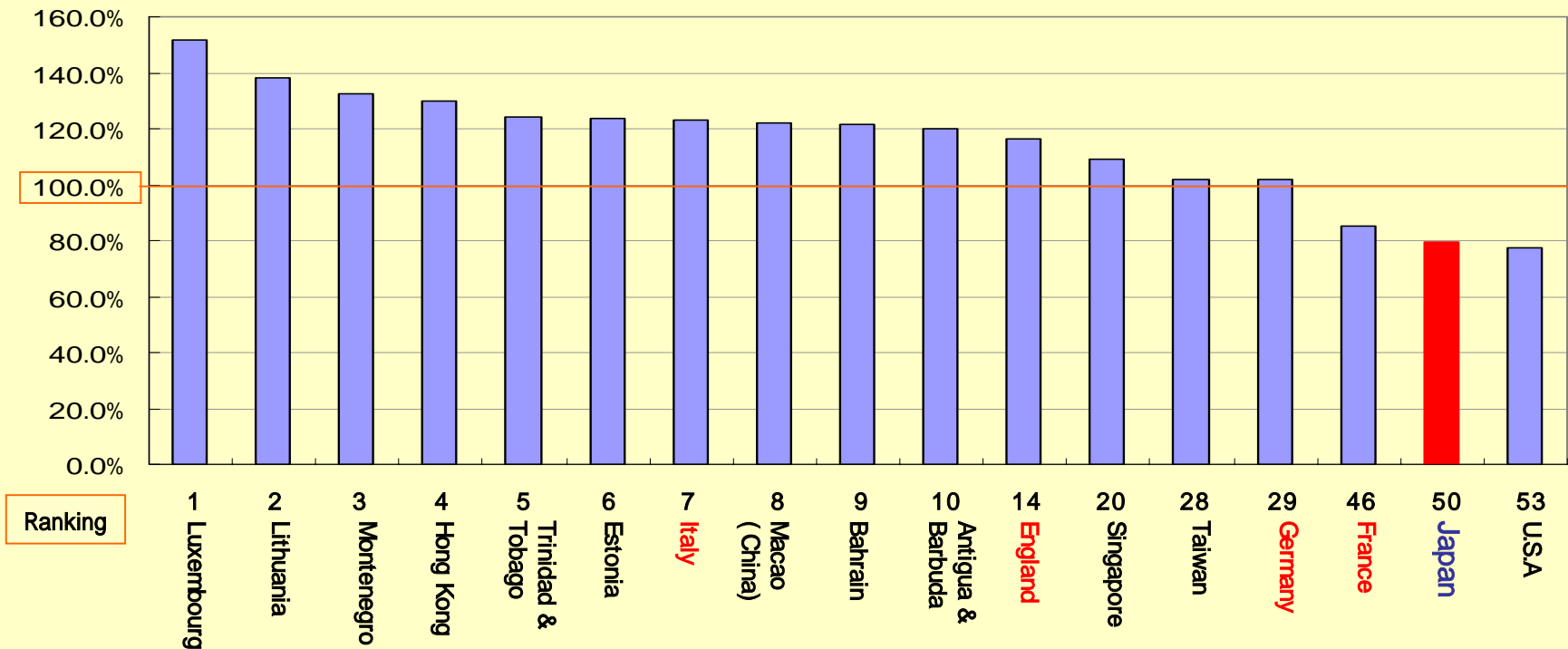
Market Demand and Telepark's Sales Volume / Market Share



2006 Global Mobile - phone Penetration

Japan Ranks 50th with 80% Penetration Rate

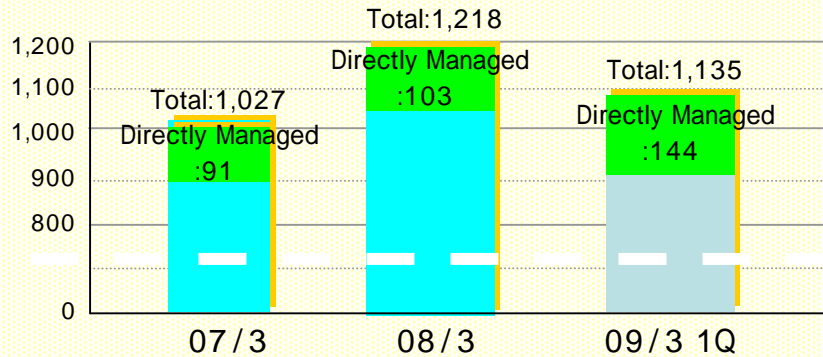
Penetration Rate Exceeding 100% in 20 Countries
“Stimulating Latent Consumer Demand for Second Mobile Handsets”



Mobile Action Plans for the Fiscal Year ending March 09

Streamline Sales Network

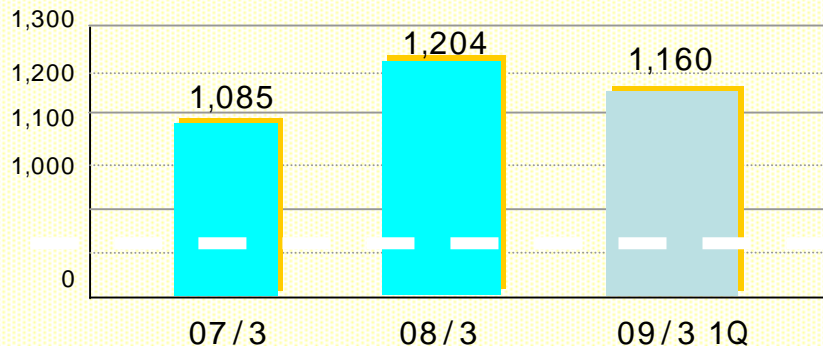
【Directly Managed & Agents' Stores】 (Excl. Large-sized M&A)



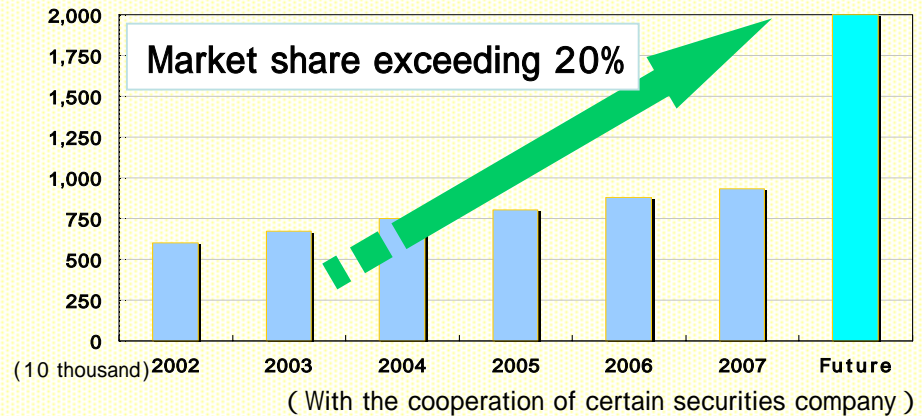
Through Expansion of Own Stores

Business w/ Large Retail Stores

【Shops in Large Retail Stores】



Rapidly Growing Market for Corporate Clients Reaching 20 million handsets in few years



【Strengthening of Sales for Corporate Clients】

: June 06: Established Corporate Sales Dept.
Currently consists of approx. 100 staff

- Boosted by stricter compliance with Personal Info. Protection Law & internal control system in addition to MNP effect
- “Consulting Marketing” to propose optimal solutions incl. carries & price plans depending on each company’s needs
- Expanding client base starting with Mitsui Group
- Cooperation with Mitsui & Co.
Promoting “Mo-Vino”, service to unify mgmt. of billing & usage for mobile phones for corporate clients
- Marketing for SMEs via sales agents

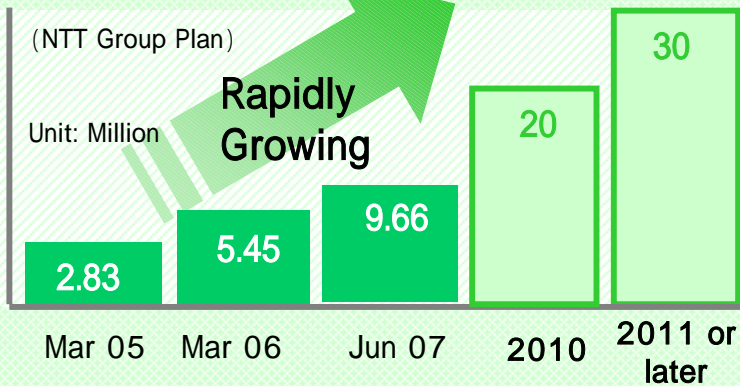


1. Business Strategy

Business Expansion in FTTH Market

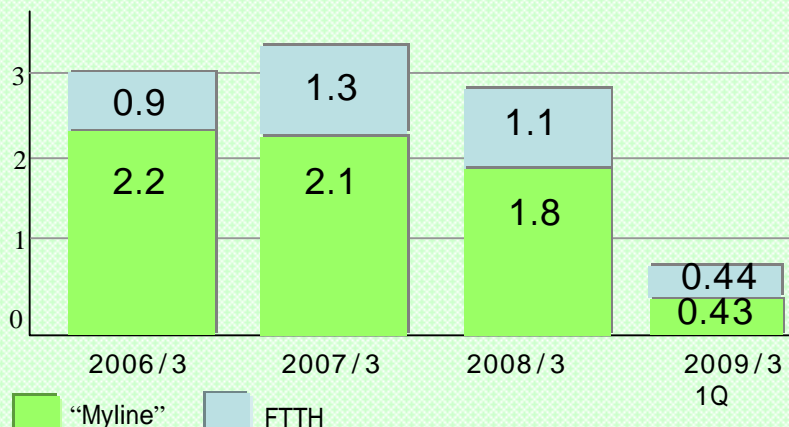
【Market Environment】

Expected Subscribers for Optical Fibers



Gross Margin by Business Category

Unit: Billion yen



2. Action Plans

Expansion of FTTH Business

- Marketing for One Unit Homes
- Shift of Sales Force from “Myline” to FTTH Business
- Acquiring New Sales Agents
- Start Content Service Business such as video picture & IP telephone

Continuing Traditional “Myline” Business

- Profit Contribution with Stable Income

Business Expansion
Profit Increase

New Development : Settlement Service (For Overseas Calls, E-money, and Contents, etc.)

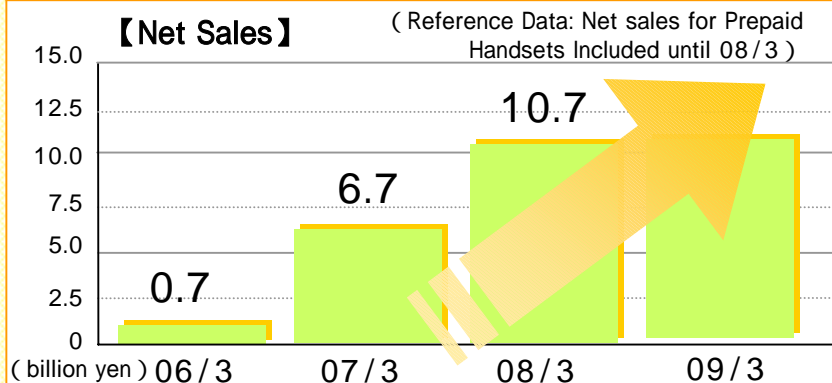
Expansion of Business with 40 Thousand Convenience Stores to Secure Sales Channel for Future Growth

Strengthening of E-settlement business using PIN(*)
Sale of iTunes Card for music distribution sites
Sale of Settlement Card for leading online shopping site



(*) PIN:
Personal Identification Number
Password accessed by users
to utilize the PIN-based services

Further Growth though Effect of Merger



Launch of "Prepaid Service" w/SEJ Stores Nationwide



Telepark & Seven Eleven Japan (SEJ) launched "Prepaid Service" using multi-copy machines to sell PIN Codes at approximately 12,000 SEJ stores nationwide from April 9, 2008.



"Prepaid Service" is convenient service, which allows customers to purchase PIN Codes becoming popular as means of settlement in a wide range of areas such as online games, music distribution, and international calls.



Financial Strategy & Return to Shareholders

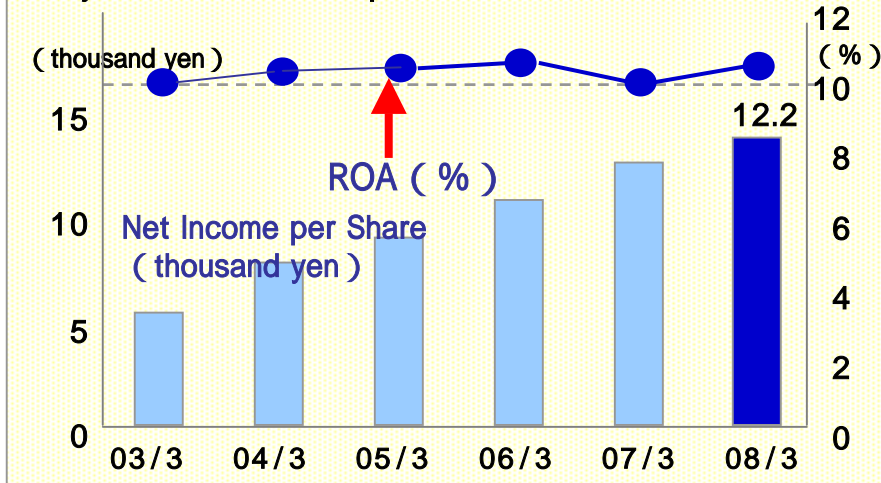
Financial Strategy & Dividend Policy

() Adjusted based on split-ups of stock implemented on 20 Jan 2006

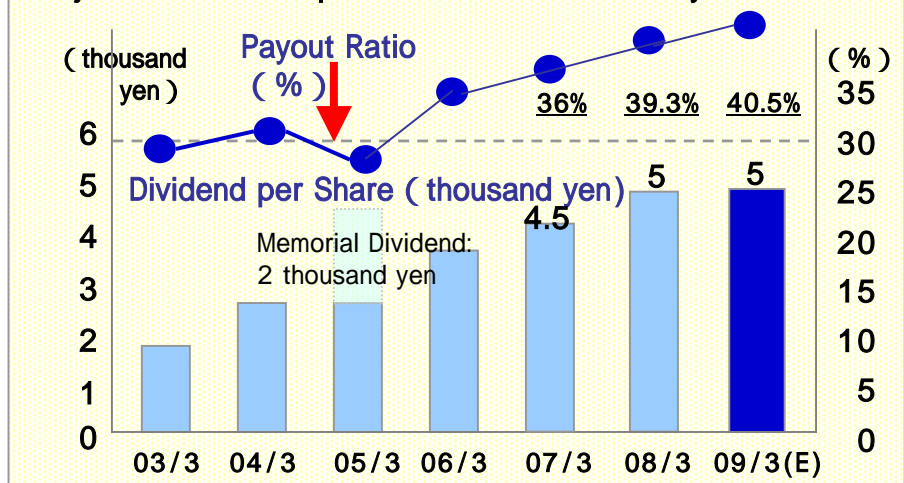
Increasing Net Sales while Securing Asset Efficiency:
ROA over 10% Level **Increasing Net Income per Share ()**

Targeting **Dividend Payout Ratio over 30% Level**
 Dividend per Share () Continuously Increasing

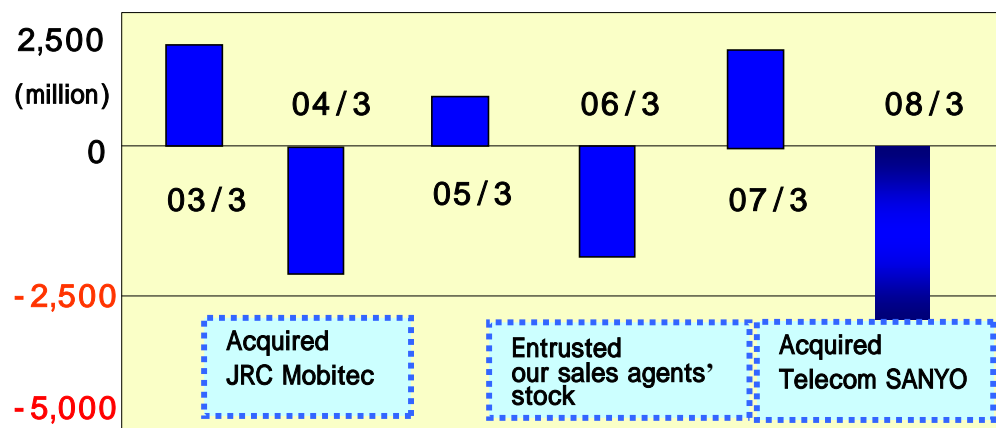
【Adjusted Net Income per Share & ROA】



【Adjusted Dividend per Share & Dividend Payout Ratio】



FCF (Free Cash Flow) & Future Activities



Future Activities

- Return to shareholders considering “Total Rate of Returns”
 (Dividend increase / Share buyback, etc.)
- New Business Investment

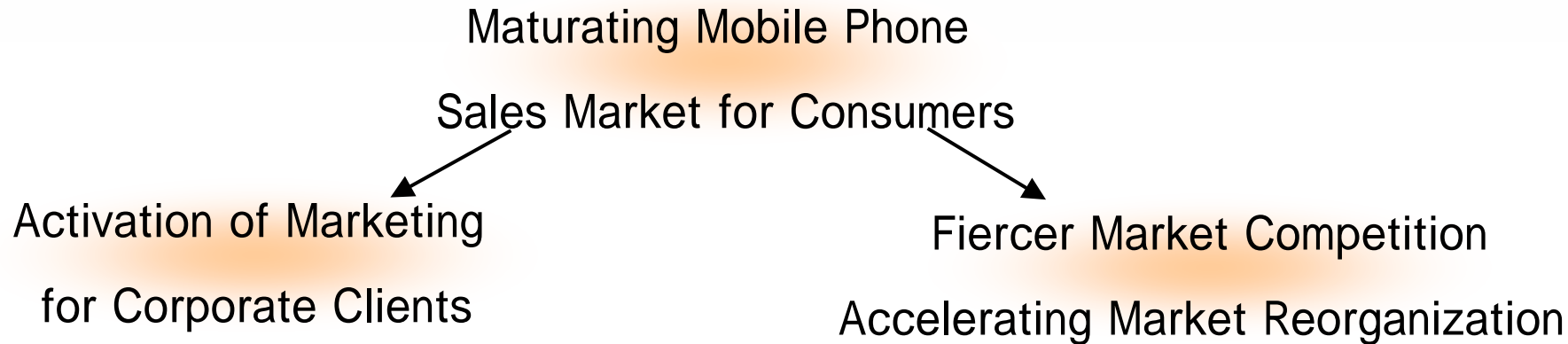
Merger with MS Communications & Future Development



Outline of Telepark & MS Communications



	Telepark	MS Communications
Head Office	Bunkyo - ku, Tokyo	Shinjuku - ku, Tokyo
Representative	Shigenori Miyazaki, President & CEO	Toshiyuki Miyagi, Chairman of the Board Koji Ogino, President & CEO
Net Sales	375,524 million yen (consolidated)	324,606 million yen (non-cons.)
Net Income	4,028 million yen (consolidated)	4,355 million yen (non-cons.)
Net Assets	18,457 million yen (cons.)	17,192 million yen (non-cons.)
Total Assets	89,917 million yen (cons.)	86,910 million yen (non-cons.)
No. of Employees	1,393 (consolidated)	1,796 (non-consolidated)
Major Shareholders & Shareholding Ratio	Mitsui & Co., Ltd. 50.8%	Sumitomo Corp. 50.0% Mitsubishi Corp. 50.0%
M&A Activity By TP & MS	2004 Acquired JRC Mobitec 2007 Acquired Telecom Sanyo	2005 Acquired Calsonic Communication

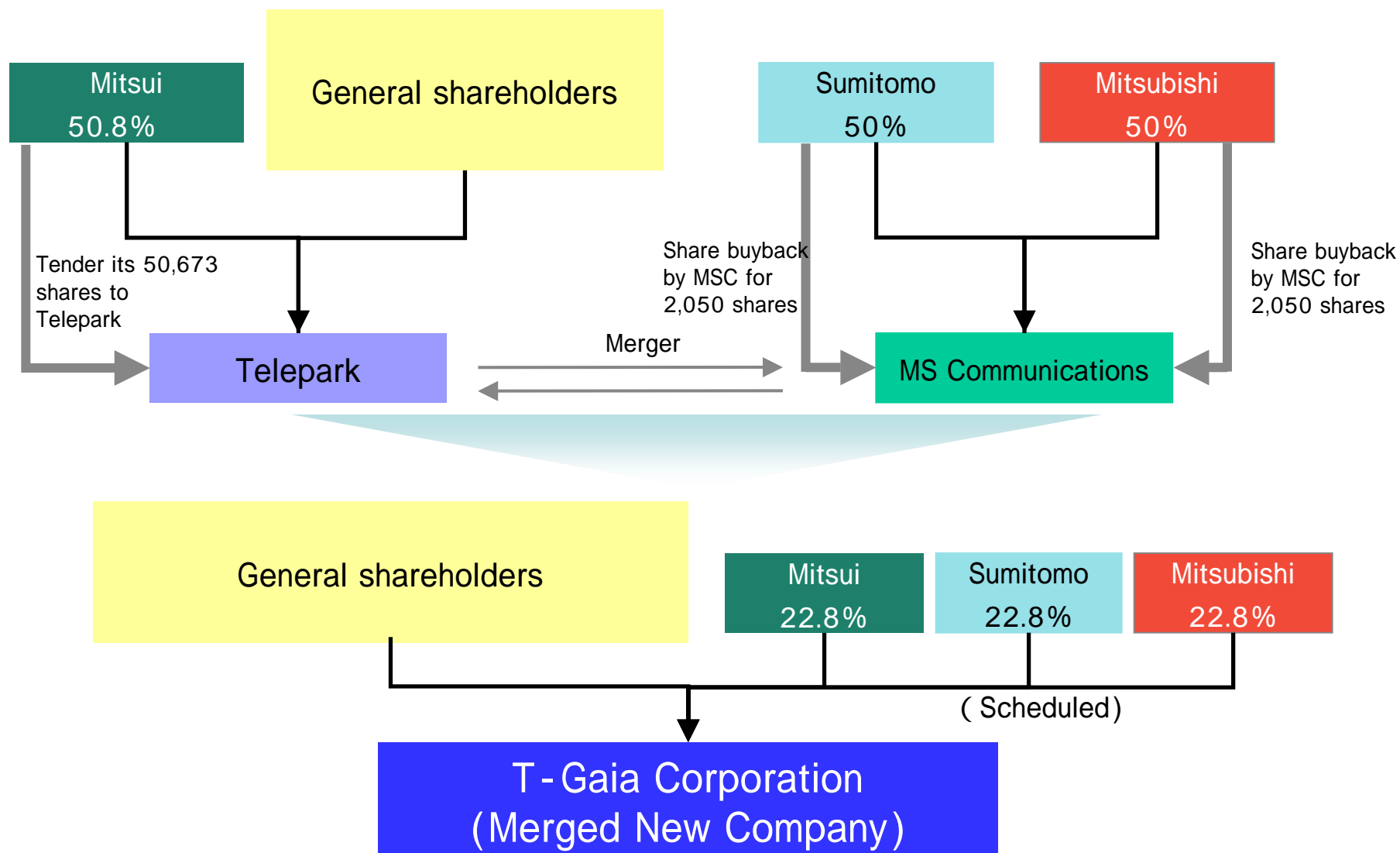


Establish the Position of Leading Company as Global Information & Telecommunications Firm

Strengthening Revenue Base by Expanding Operational Scale

Actively Challenge New Business Domains

Scheme of the Merger



Establish the Position of Leading Company as Global Information & Telecommunication Firm

Strengthening Revenue Base by Expanding Operational Scale

- Secure the position as the industry leader with the combined mkt. share exceeding 15%.
- Expand its customer base and increase its market share, especially in the promising market for corporate clients by utilizing each enterprise group of three major shareholders and enhancing its ability for make proposals, such as for mobile solutions.
- Streamline operations, including centralizing logistics and inventory management and reducing management costs as well as strengthening its revenue base.
- Utilize the human resources of the two companies to a larger extent than before, bringing greater convenience to customers and improving service quality.

Actively Challenge New Business Domains

- By diversifying sales network, as well as financial power and planning ability, it will take on new business domains other than the mobile telecommunication and network communication businesses through effective utilization of its abundant personnel resources.

Enjoy the economics of scale through significant expansion of operational base

Mobile Business

- Strengthen operational base
- Enhance marketing for corporate clients
- Streamline logistics

Network Business

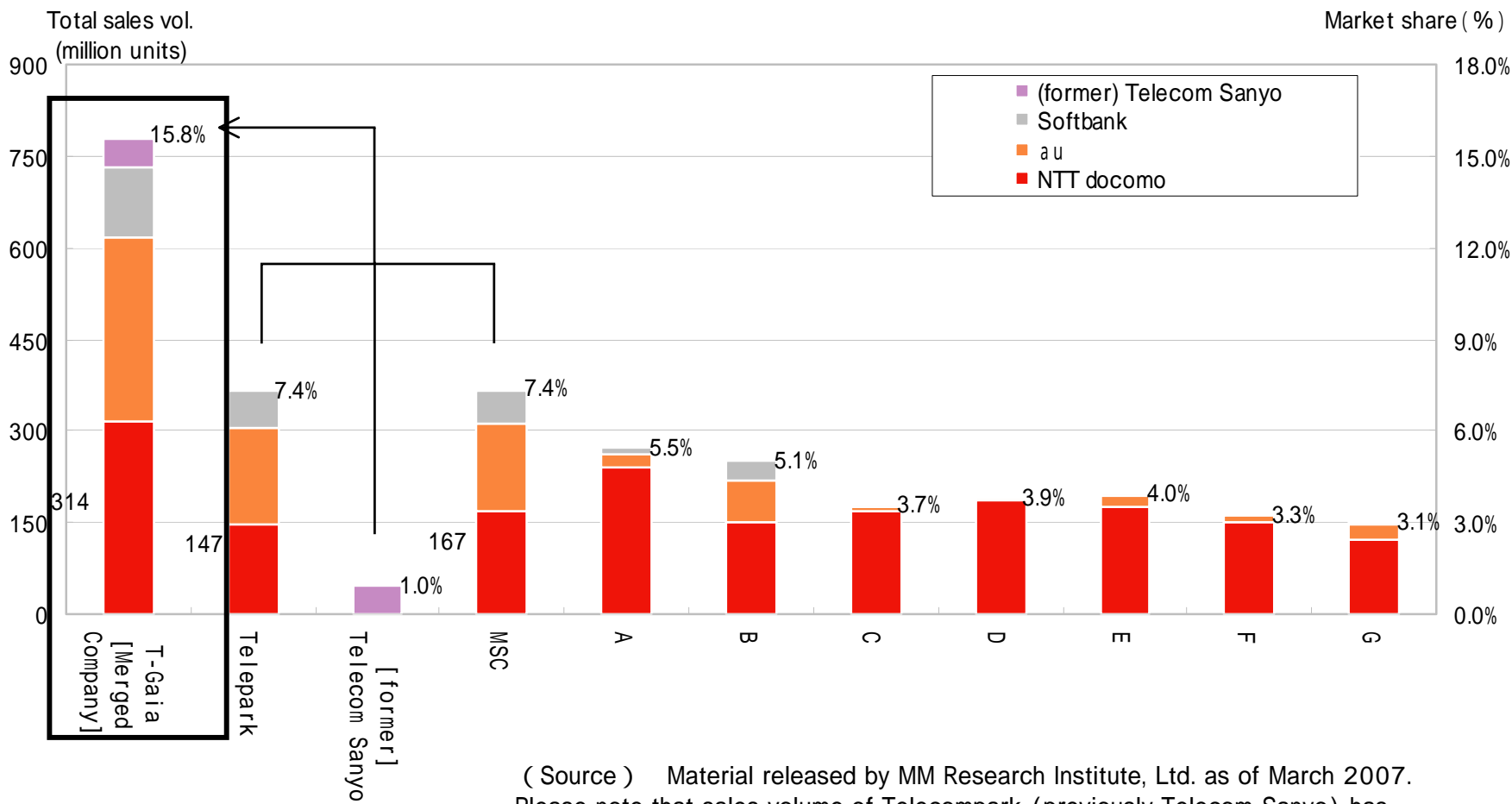
- Regional supplement
- Further development inc. network solutions

- Expand sales channel
- Utilize human resources
- Effective use of management resources
- Streamline of operations

Other New Business

- Electronic settlement
- MVNO - related business
- Launch logistics business
- Expand business overseas

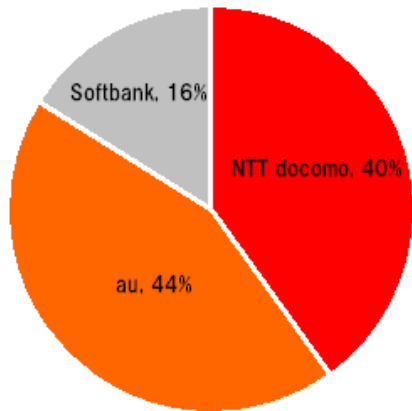
Ensure its competitive advantage with market share exceeding 15%



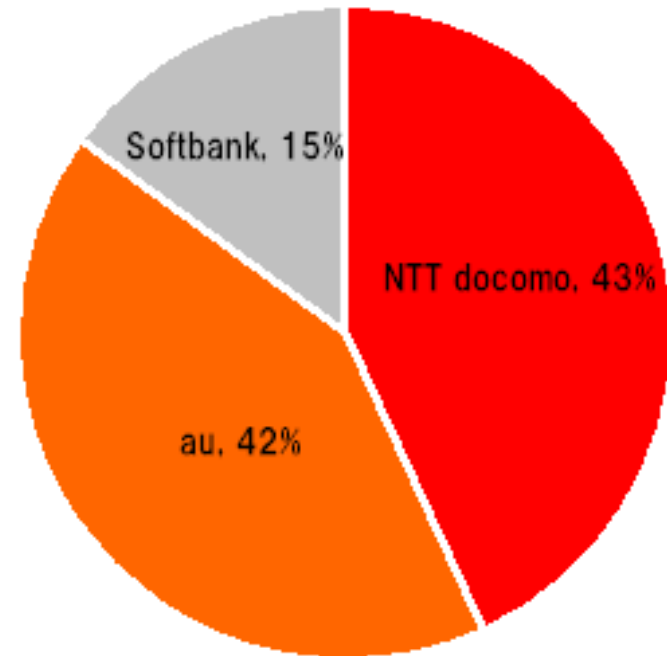
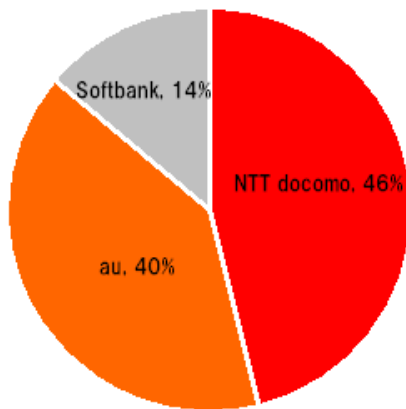
(Source) Material released by MM Research Institute, Ltd. as of March 2007. Please note that sales volume of Telecompark (previously Telecom Sanyo) has been included in the volume of Telepark from the FY ended March 2008.

*** Both Companies Have Well-balanced Relationship w/ All Major Carriers**

Telepark



MSC



(Note) as of 08/3

Significant Expansion of Diversified Sales Channels

(As of 08 / 3)



(Note) When handsets of two carriers are sold at one large retail store, it has been counted as two.

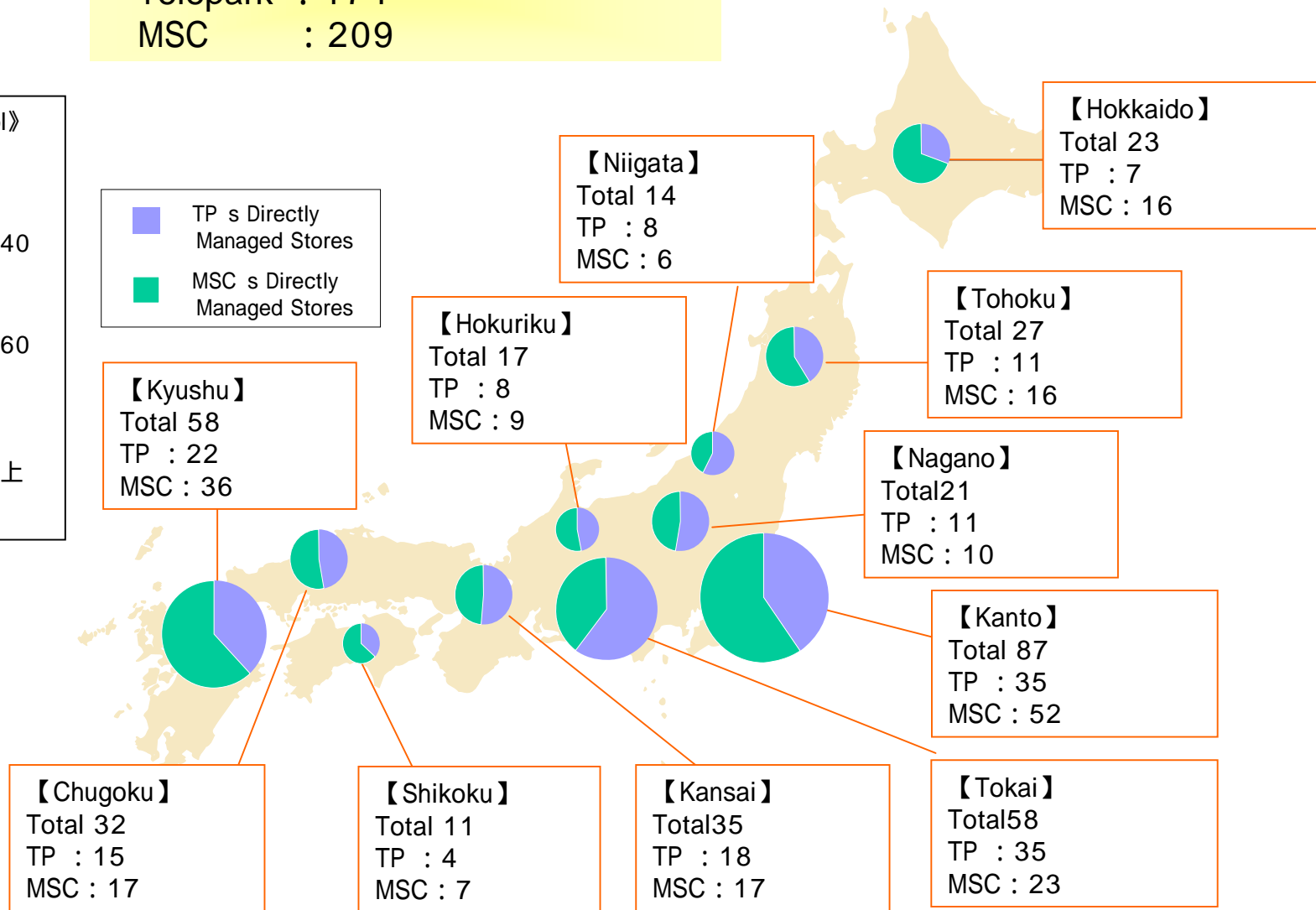
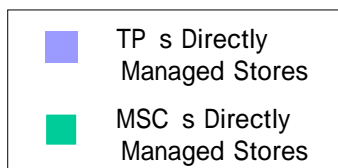
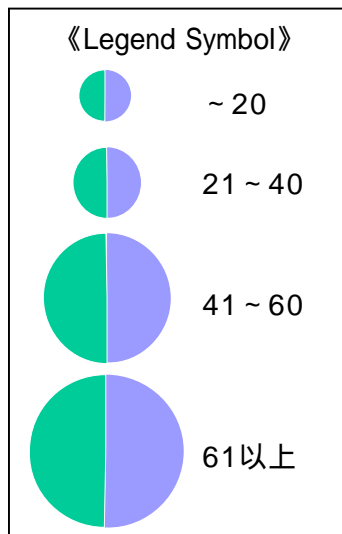
Increase of Directly Managed Stores

As of April 2008

【No. of Directly Managed Stores】

Telepark : 174

MSC : 209



Scale of Business Operations after Merger

(Unit: billion yen)	08 / 3 Results			09 / 3 Combined Forecasts of two companies (*)	09 / 3 Official Forecasts (*)
	Telepark	MSC	TP+MSC	TP+MSC	1H:TP+ 2H:Merged Company
No. of handsets (Unit: million)	3.94	3.68	7.62	8.08	6.25
Net Sales	375.5	324.6	700.1	697.7	548.0
Ordinary Income	7.3	8.1	15.4	12.5	9.8
Net Income	4.0	4.4	8.4	6.4	5.1

(*) Since MSC's financial results for 1H is factored in 09 / 3 Combined Forecasts of two companies above, those figures are different from 09 / 3 Official Forecasts, which are non-consolidated forecasts for the fiscal year ending March 2009, released in the official financial statement of Telepark.

Sales Target at One Trillion yen for the FY ending March 2012

Priority Areas for Each Segment

Mobile Business



- ✓ Strengthen marketing for corporate clients
- ✓ Stimulate demand for second mobile handset

Network Business



- ✓ Business Development taking FMC and/or NGN into consideration

New Business



- ✓ Actively explore & promote new business domains

Dividend Policy

Dividend Payout Ratio : Continue to be maintained at stable level above 30%



- Corporate Name: T - Gaia Corporation
- Head Office: Bunkyo - ku, Tokyo (Post - merger head office location has not been decided)
- Business: Sales of mobile phones and sales agency business
 - Brokering of telecommunication service including “Mylines” and broadband access
 - Account settlement business, distribution of content over mobile phone networks, and other new business

【Origin of the New Corporate Name】

The “T” in “T - Gaia” stands for “Tomorrow,” while “Gaia,” derived from the name of the Greek goddess of the earth, signifies “an earth that is considered to be one massive life form.” Hence, the name of the merged company represents “the company’s goal to be as noble as the earth, nurturing the lives of people all over the world, and taking on the challenges of tomorrow (the future) with sincerity.”

【Corporate Philosophy】

We will contribute to the realization of society’s dreams and prosperity, and continue to “Challenge Tomorrow” with “Integrity”.