



Financial Results for FY ended March 2012

May 17, 2012

CHALLENGE TOMORROW 

T-Gaia Corporation

TSE: 3738

*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.

【Acquisition of Treasury Stock】

- As announced on May 16, 2012, we acquired Treasury Stock of 26,985 shares using the “ToSTNeT-3” system as of May 17, 2012.

【Cancellation of Treasury Stock】

- In order to improve capital efficiency and increase the shareholder value, we cancel Treasury Stock of 91,000 share and 26,985 shares respectively as of May 31, 2012.
As a result, the total number of outstanding shares becomes 394,434.

Online of Consolidated Financial Results for FY ended March 2012

【Concerning the full-year financial results for FY ended March 2012】

● **Transition to Consolidated financial settlement from the 3Q**

We began preparing consolidated financial statements from the 3Q of the fiscal year ended March 2012 because we had acquired all the outstanding shares of TG Miyazaki Co., Ltd. as of Dec. 1, 2011, and made it a consolidated subsidiary.

- For financial results on a quarterly basis, non-consolidated results are used for 1Q & 2Q. On the other hand, consolidated results are used for 3Q & 4Q in this presentation material.
- Since the financial impact from the acquisition was slight, non-consolidated financial results for FY ended March 2011 are used to compare with those for FY ended March 2012 for reference information.

Outline of Consolidated Financial Results for FY ended March 2012

(Unit : million yen)	11/3 Non-consolidated Full-year Results	12/3 Consolidated Full-year Results	YoY Change (%) ※1	12/3 Full-year Forecasts	Achievment Ratio (%)
Net Sales	595,217	712,683	119.7%	660,000	108.0%
Gross Margin (to Net Sales)	61,284 (10.3%)	65,823 (9.2%)	107.4%	64,450 (9.8%)	102.1%
SGA Expenses	46,759	50,950	109.0%	49,800	102.3%
Operating Income (to Net Sales)	14,524 (2.4%)	14,873 (2.1%)	102.4%	14,650 (2.2%)	101.5%
Ordinary Income (to Net Sales)	14,395 (2.4%)	14,843 (2.1%)	103.1%	14,400 (2.2%)	103.1%
Net Income [※2] (to Net Sales)	7,554 (1.3%)	7,933 (1.1%)	105.0%	7,850 (1.2%)	101.1%
FCF	5,265	△ 13,857	-	3,100	-
Net Income/share (yen) [※3]	14,742.71	18,551.22	125.8%	18,356.77	-
Dividend /share (yen) (Payout ratio)	5,500.00 (37.3%)	6,500.00 (35.0%)	118.2%	6,500.00 (34.9%)	-

※1: Since the financial impact from the acquisition was slight, non-consolidated financial results for FY ended March 2011 are used to compare with those for FY ended March 2012 for reference information.

※2: This result reflects the reduced statutory tax rate after the change of the corporate income tax rate, associated with a reversal of deferred tax assets and an increase in deferred income taxes of 209 million yen.

※3: Net income /share for FY ended March 2012 has been calculated based on the AV. No. of shares outstanding (deducting the year-end Treasury Stock of 91,000 shares) during the period.

Consolidated Financial Results for FY ended March 2012 by Quarter

(Unit : million yen)	1Q: Non-consolidated	2Q: Non-consolidated	3Q Consolidated	4Q Consolidated	Full-year Consolidated
Net Sales	155,516	171,675	181,780	203,711	712,683
Gross Margin	14,754	15,915	15,155	19,998	65,823
SGA Expenses	11,733	12,393	12,538	14,287	50,950
Operating Income	3,021	3,522	2,616	5,711	14,873
Ordinary Income	3,005	3,495	2,626	5,716	14,843
Net Income	1,630	1,905	1,141	3,255	7,933

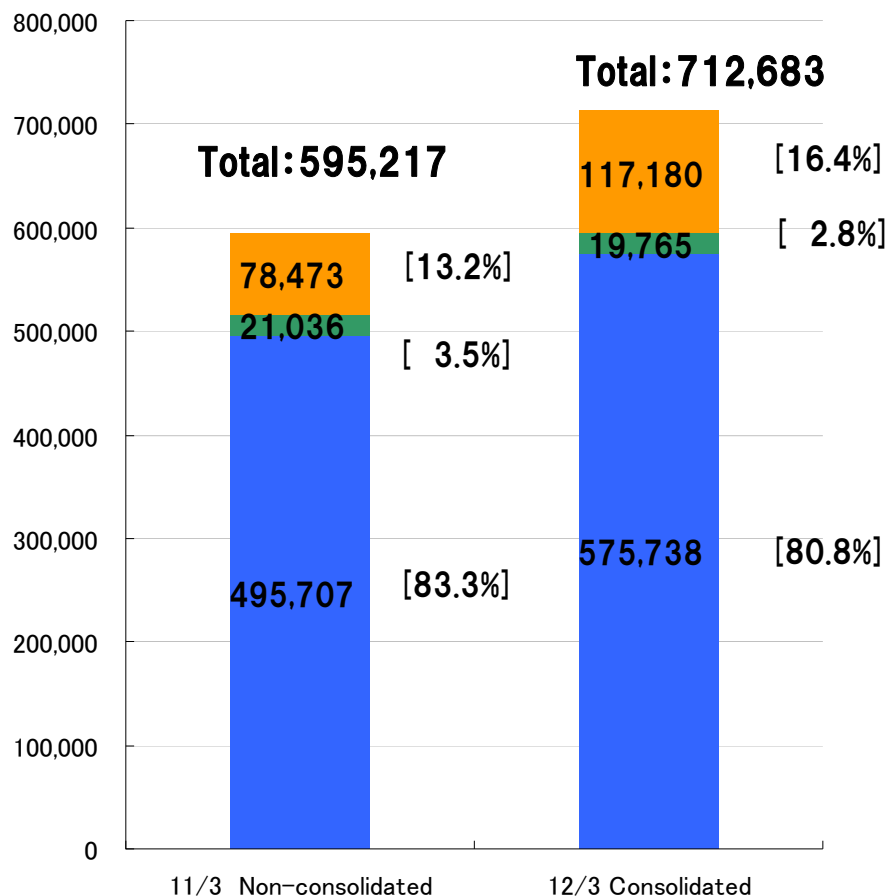
※1: Since the financial impact from the acquisition was slight, non-consolidated financial results for FY ended March 2011 are used to compare with those for FY ended March 2012 for reference information.

2012/3 Consolidated Financial Results by Segment

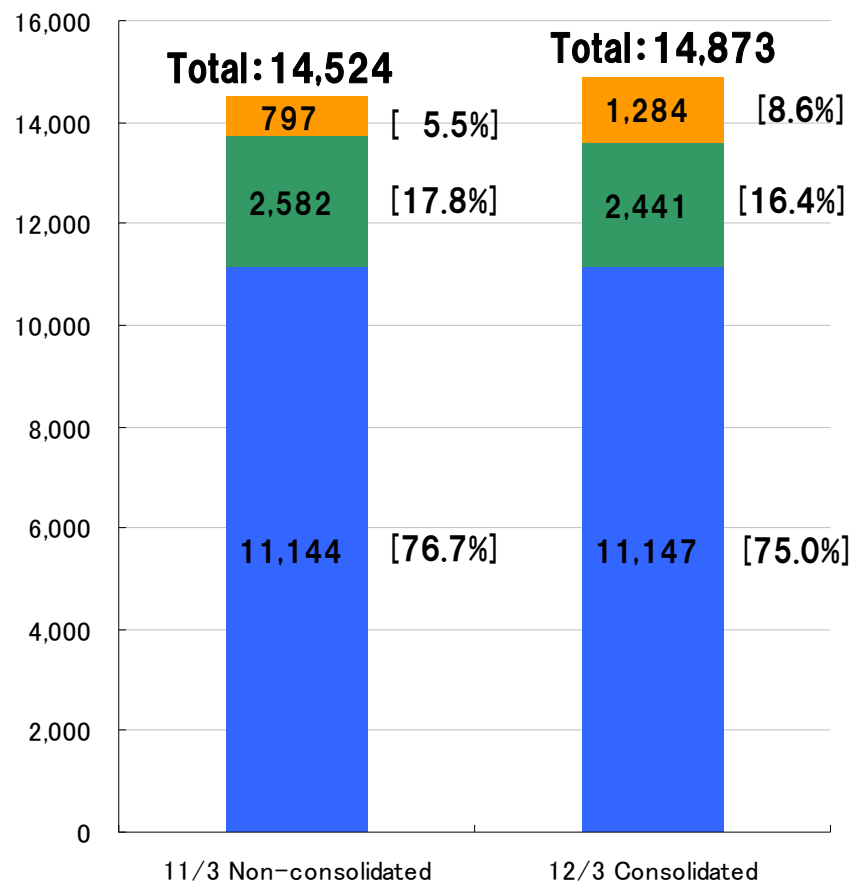
- Prepaid Settlement Service & Others
- Fixed-line Business
- Mobile-phone Business

(Unit: million yen)

Net Sales



Operating Income

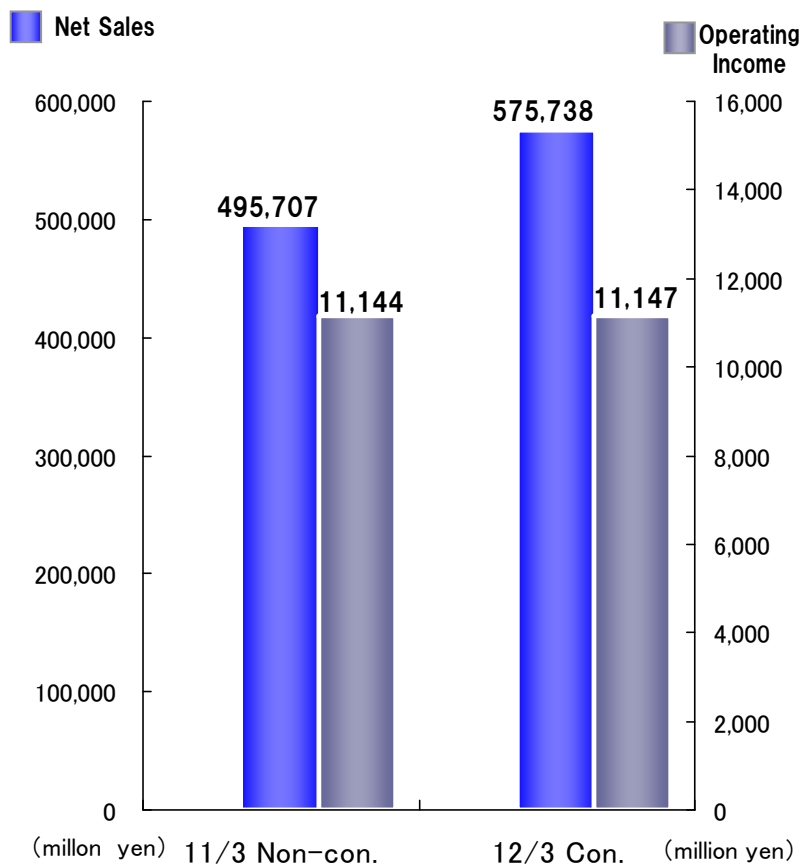


Financial Results

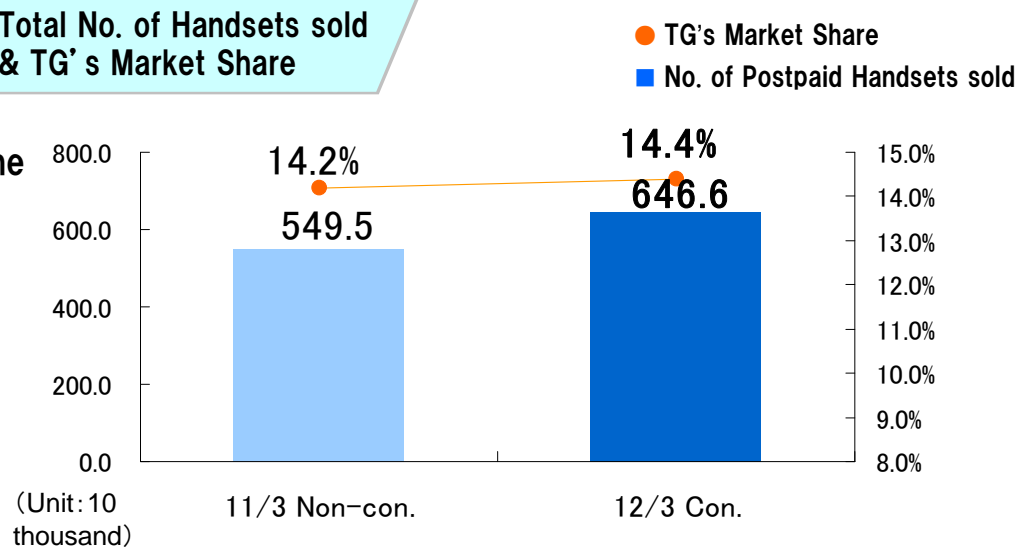
[Unit: million yen]

Net Sales: 575,738 Operating Income: 11,147

• Operating income has remained at the similar level of the previous fiscal year due to price discounting spurred by intensifying market competition, rising sales of low-profitable products and increased costs to strengthen sales force required for dissemination of smart phones.

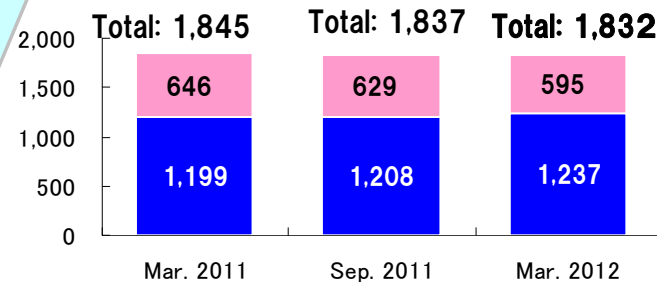


Total No. of Handsets sold & TG's Market Share

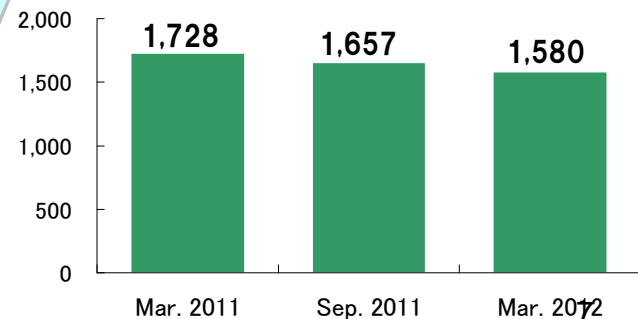


Carrier Shops & Multi Carrier Shops of TG Group in Japan

Multi Carrier Shops
Carrier Shops



Shops in Large Retail Stores & GMS



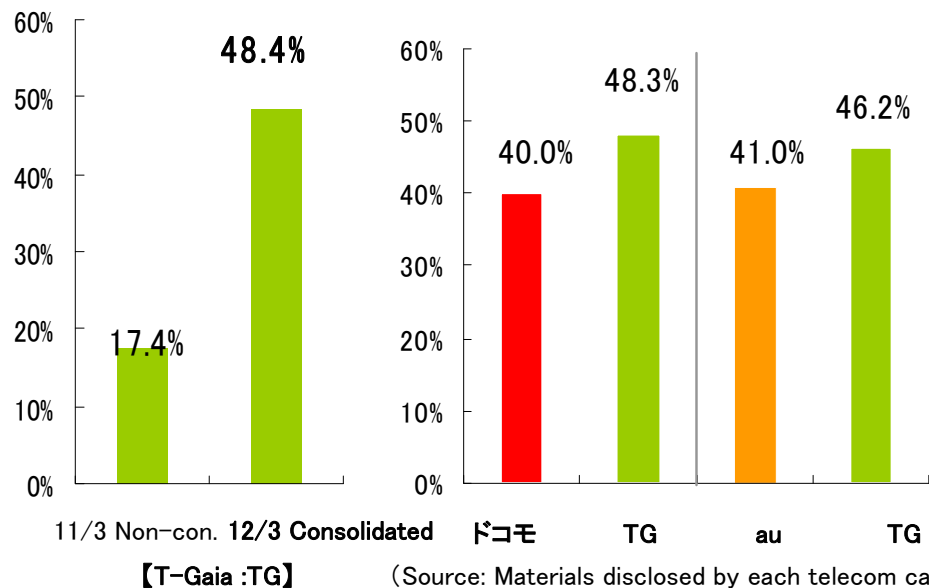
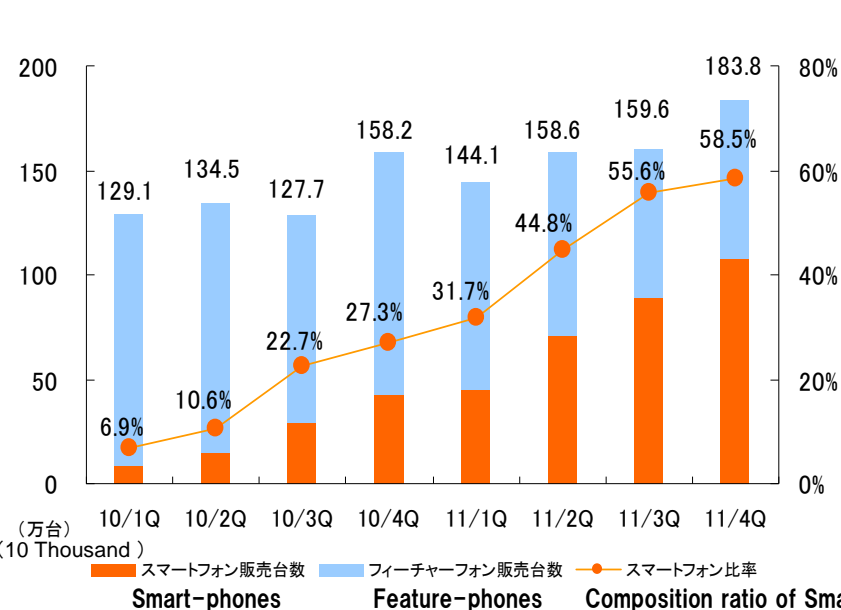
● Attained the sale rate for smart-phone higher than the average market and boosted sales of products related to smart-phones by taking an opportunity for momentum gathers for smart-phones as well as increase of total No. of handsets sold in the mobile-phone market

- ☆ Increased the Number of Sales Staff especially in large retail stores
- ☆ Implemented New Construction, Relocation & Renewal of Directly-managed Carrier Shops
- ☆ Expanded Sales of Accessory & Other Products related to Smart-phones
- ☆ Started Selling Affiliate Advertizing of Application for Smart-phones
- ☆ Strengthened our sales channel in Kyushu area by acquiring TG Miyazaki



【 Total No. Handsets Sold & Composition Ratio of Smart-phones on a Quarterly basis 】

【 Composition Ratio of Smart-phones for Telecom Carriers & T-Gaia in FY ended March 2012 】



(Source: Materials disclosed by each telecom carrier)

- Retained Corporate Clients Utilizing Mobile-phone Info. Mgmt. Service “movino star” and Other Original Solutions

- Provided Corporate Clients with Solution Services to Promote Introduction of Smart-phones / Tablets Devices utilizing Comprehensive Solution Package

 - ☆ Started selling MDM (Mobile Device Mgmt.) solution “mdport” for Android OS

 - ☆ Upgraded existing mobile-phone information management service intended for corporate clients “mss (movino star secures service)” for smart-phones

 - ☆ Newly launched the “24-hour” Helpdesks for corporate clients

 - ☆ Started Kitting Service of Set-up Processing for mobile-phones and other devices in advance

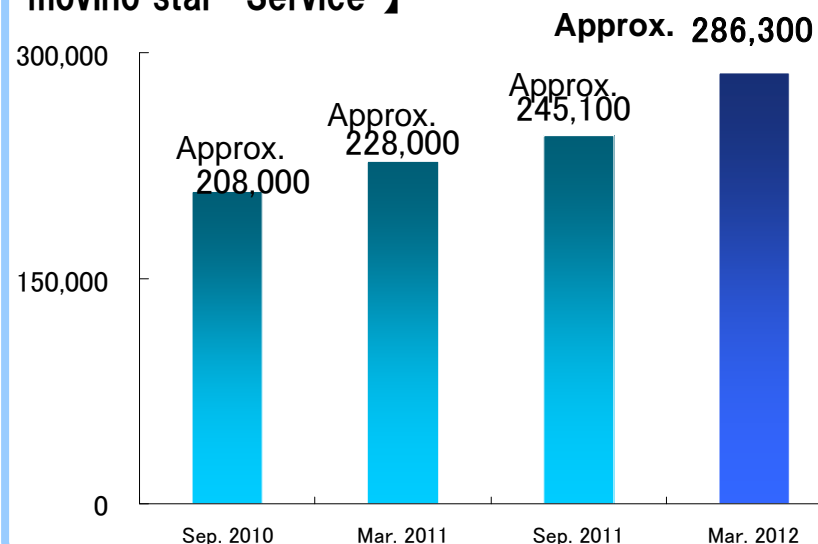
- Strengthened Alliance with Solution Partners

 - ☆ Started selling Mac, iPad products & genuine accessory (※)

 - ※ Mac and iPad are Trademark of Apple Inc. registered in USA and other countries

【 Total No. of Subscribers for “movino star” Service 】

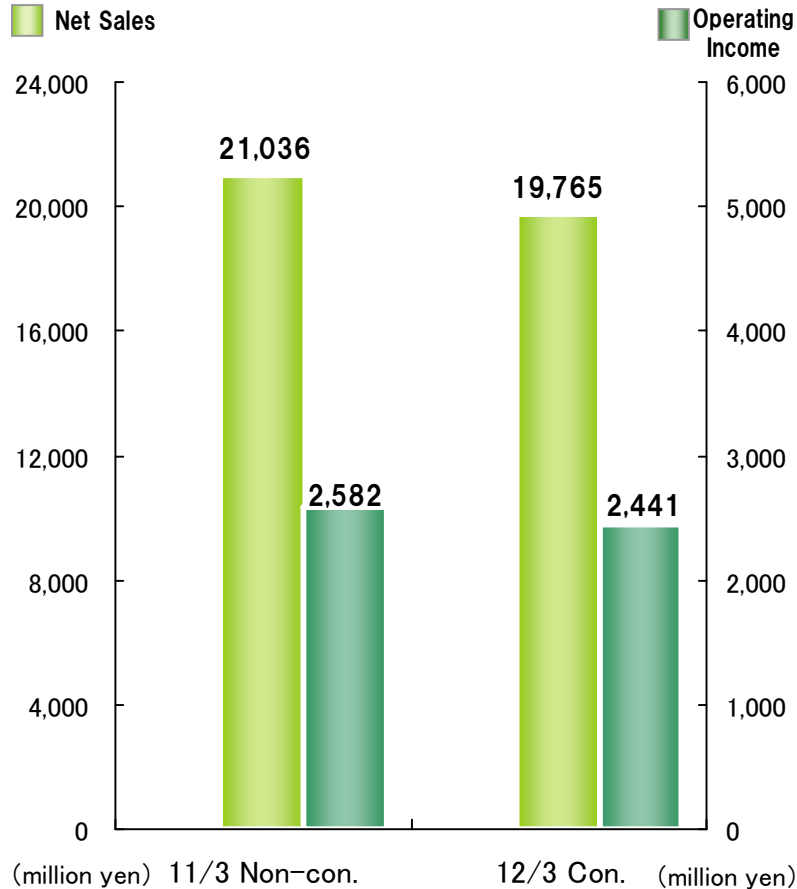
26% Increase from the previous year



Financial Results [Unit: million yen]

Net Sales :19,765 Operating Income:2,441

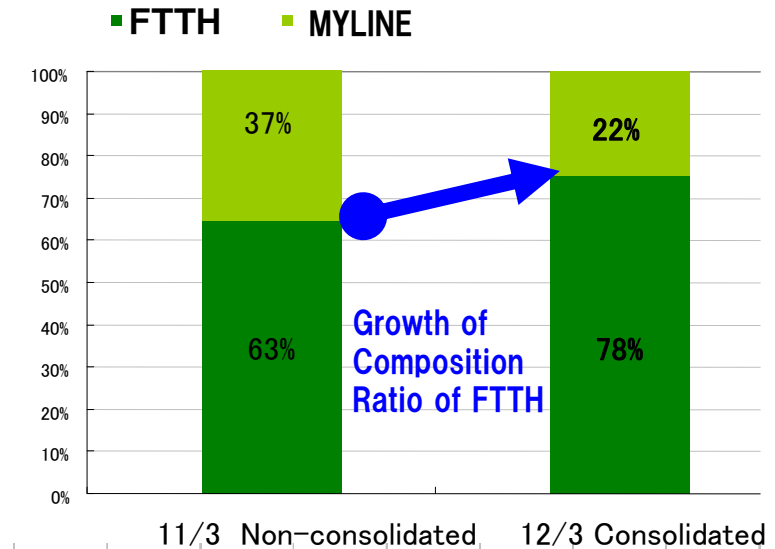
- "MYLINE Service": Declined in sales volume due to the maturation of the market
- Optical Fibers Service such as FTTH: Developed favorably resulted from the diversification of product line though we had to refrain from our sales & marketing activities for a while after the Great East Japan Earthquake



Business Strategy

- Strengthened Sale of FTTH & Related Products
 - Promoted marketing for SOHO with introduction of new rate plan
 - Expanded sale of related products such as ISPs
- Promoted Customer-retention in Cooperation with Alliance Partners
- Re-organized our Sales Agents' Structure with the shift from MYLINE to FTTH Business

[Gross Margin by Product Line]



Financial Results [Unit: million yen]

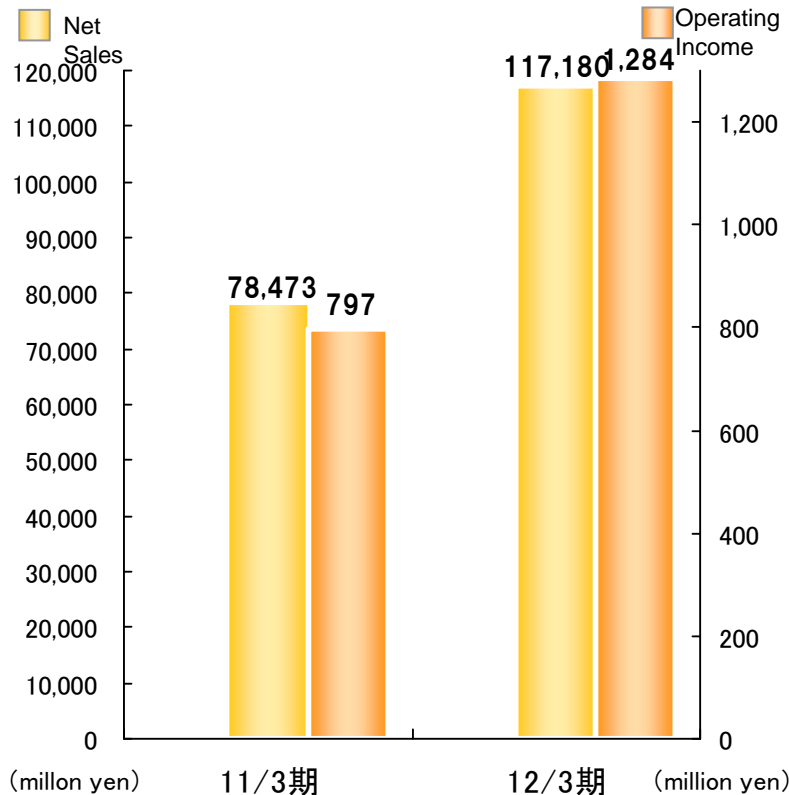
Market Environmental & Business Strategy

- Settlement amount for Online Shopping & Purchase of Contents for SNS (Social Network Service) Games has been substantially increased

Net Sales : 117,180 Operating Income : 1,284

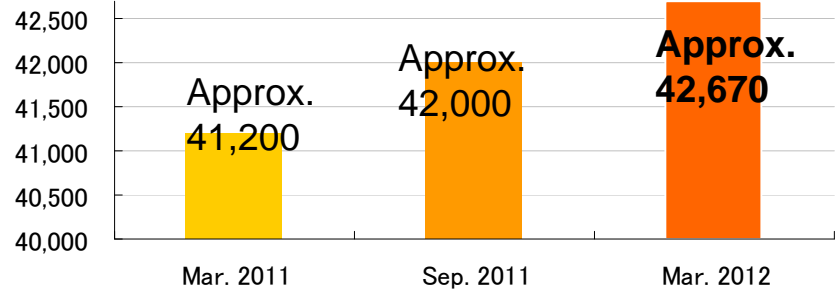
• Both net sales and income have drastically increased from the previous fiscal year due to growth of the total market for e-commerce & expansion of our sales channel.

※For reference Net Sales: Increased by 49.3%
Operating Income: Increase by 61.1%



[No. of convenience stores dealing PIN]

3.6% Increase from the previous year



- Launched “Gift Card Business” utilizing new type of gift cards & prepaid cards in major convenience store chain and has been diversifying product line



※iTunes is Trademark of Apple Inc. registered in USA and other countries



※Amazon, Amazon.co.jp and Amazon.co.jp Logo are Trademark of Amazon.com, Inc. and/or its related companies



Forecasts for FY ending March 2013 & Future Development

Consolidated Forecasts for FY ending March 2013

(Unit : million)	12/3 Full-year Results	13/3 Full-year Forecasts	Change of Amount	Year-on-Year basis (%)
Net Sales	712,683	760,000	47,317	106.6%
Grosss Margin	65,823	69,000	3,177	104.8%
SGA Expenses	50,950	53,700	2,750	105.4%
Operating Income	14,873	15,300	427	102.9%
Orginary Income	14,843	15,000	157	101.1%
Net Sales	7,933	8,600	667	108.4%
Net Income/Share (yen) [※]	18,551.22	21,803.39	3,252.17	117.5%
Dividend /Share (yen) [※] (Payout Ratio)	6,500.00 (35.0%)	7,000.00 (32.1%)	500	107.7%

※:Net Income/Share and Dividend/Share Forecasts for FY ending March 2013 have been calculated based on the No. of shares outstanding without reflecting the 200-for-1 Stock Split (pre-split basis) that will be conducted with the effective date of October 1, 2012. And Treasury stock of both 91,000 shares and 26,985 shares have been deducted from the No. of outstanding shares.

Consolidated Forecasts for FY ending March 2013 by “NEW” Segment

We intend to combine the Fixed-line Business segment with business of selling mobile-phones for corporate clients, which was included in the Mobile-phone Business segment until March 2012, and newly set up Solution Business segment. Accordingly, we will make change to our business segments and since the first quarter for FY ending March 2013, we will apply NEW business segments consists of Mobile-phone Business, Solution Business and Settlement Service Business & Others. Please note that financial results by segment for FY ended March 2012 below have been re-calculated based on the NEW business segments.

Former segments until FY ended March 2012

(Unit: million yen)		2012/3 Actual Results
		Amount
Mobile-phone Business	Net Sales	575,738
	Operating Income	11,147
Fixed-line Business	Net Sales	19,765
	Operating Income	2,441
Prepaid Settlement Service & Others	Net Sales	117,180
	Operating Income	1,284
Total	Net Sales	712,683
	Operating Income	14,873

NEW segments from FY ending March 2013

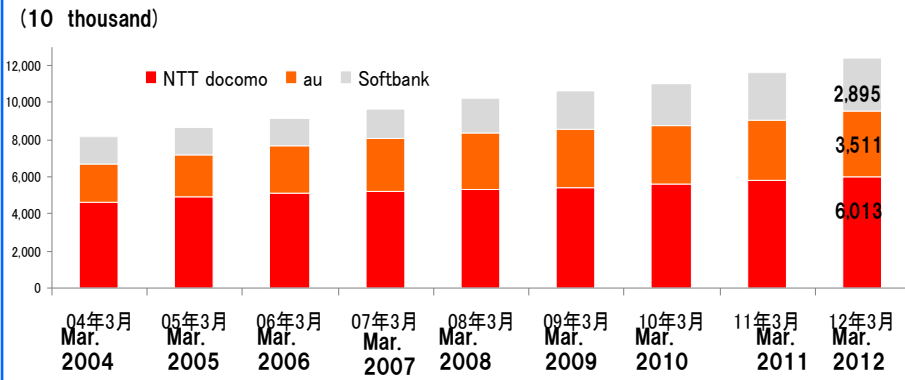
(Unit: million yen)		2012/3 Re-calculated Results	2013/3 Forecasts	
		Amount	Amount	YoY basis (%)
Mobile-phone Business	Net Sales	568,793	583,000	102.5%
	Operating Income	10,569	10,750	101.7%
Solution Business	Net Sales	26,902	30,000	111.5%
	Operating Income	3,054	3,200	104.8%
Settlement Service Business & Others	Net Sales	116,987	147,000	125.7%
	Operating Income	1,249	1,350	108.1%
Total	Net Sales	712,683	760,000	106.6%
	Operating Income	14,873	15,300	102.9%

Business Environment

Revitalization of the Market
with Further Expansion of
Demand for Smart-phones

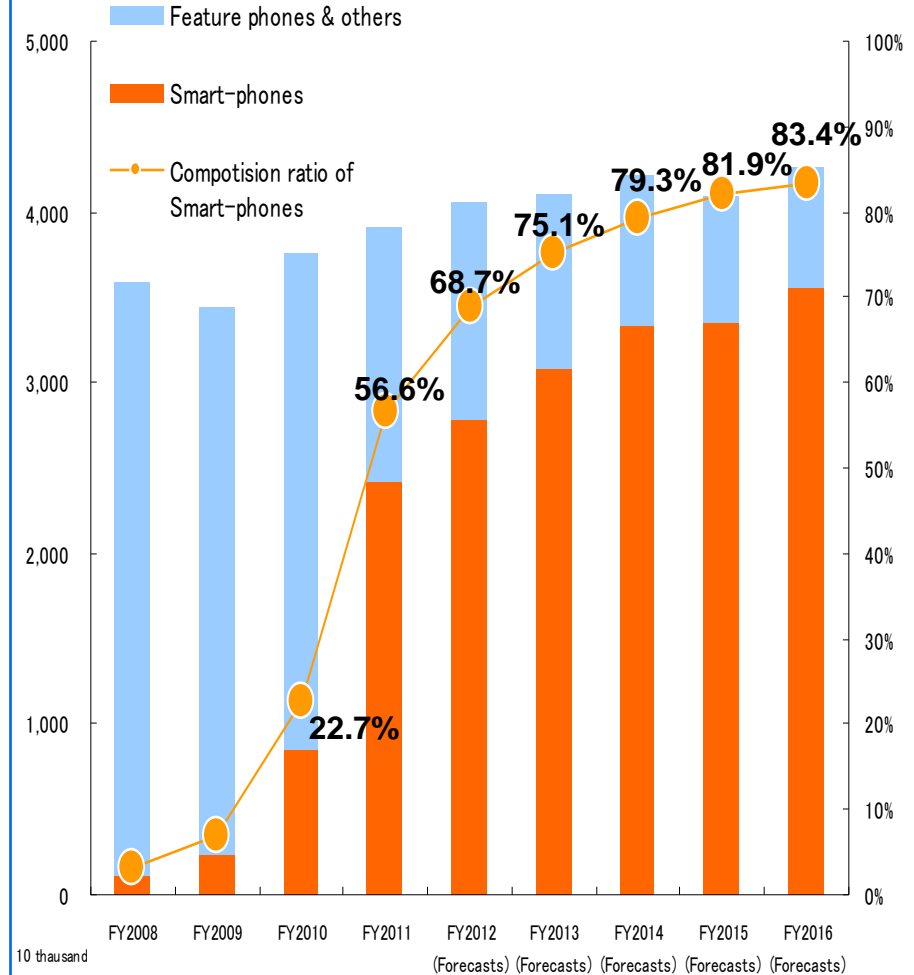
- Fiercer sales competition including acquisition of new customers/users
- Increase of demand for products related to smart-phones / tablet devices
- High-speed communication service being under way in earnest with the ongoing progress of broadband & speeding up

Total No. of Subscribers by Telecom Carrier



(Source: TCA-Telecommunications Carriers Association)

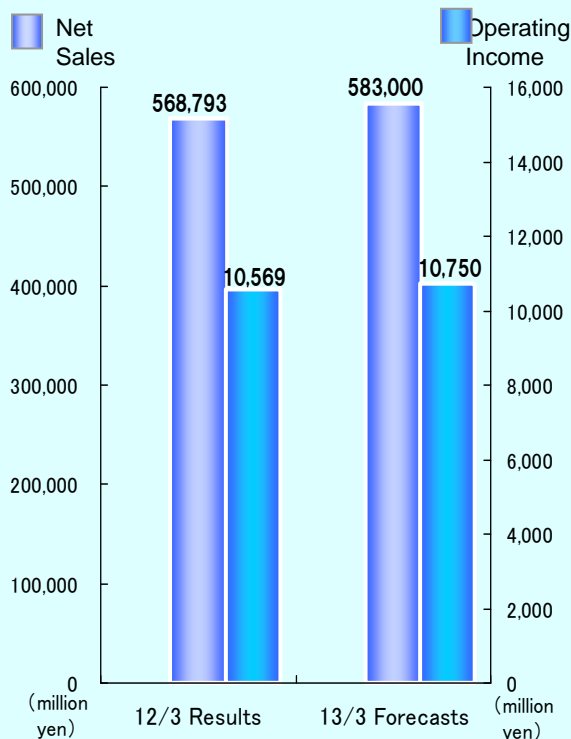
Results & Forecasts of Total Volume of Shipments
for Smart-phones & Feature phones in Japan



[Source: MM Research Institute.]

Full-year Forecasts (million yen)

- Net Sales 583,000
- Operating Income 10,750
- Mobile-phone Sales 6.6 mil. units



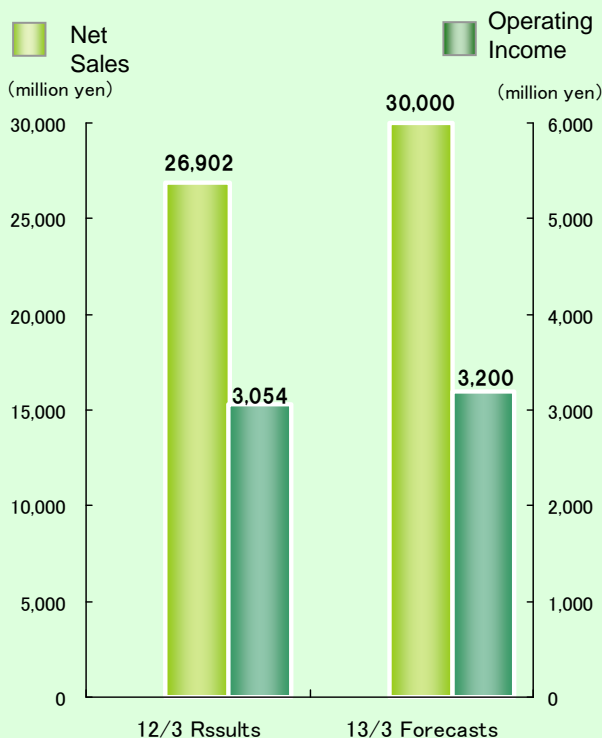
Future Business Strategy

Promote Strengthening of Company-wide Sales Structure & Operational Efficiency

- Improve profitability by reviewing our sales channel including strengthening carrier shops
- Open “TG Academy” as our educational & training institution in order to develop human resources and build up skill of sales staff on a company-wide basis by enhancing education as well as training
- Diversify source of income by appropriately taking an opportunity for expanding sales of related products such as accessory & affiliate service with dissemination of Smart-phones / Tablet devices
- Increase CS (Customer Satisfaction) by improving operational efficiency in clearing & logistics and by supporting sales activities in the front of shops through the enhanced internal back-up structure

Full-year Forecasts (million yen)

- Net Sales 30,000
- Operating Income 3,200
- Mobile-phone Sales 0.15 mil. units



Business Environment & Future Business Strategy

- Respond to the needs of corporate clients by providing them with our solution package service looking ahead to the full-fledged introduction of Smart-phones & Tablet devices in the future



Help Desk/Security Desk

Kitting Service

Comprehensively Support Corporate Clients

Consulting Service

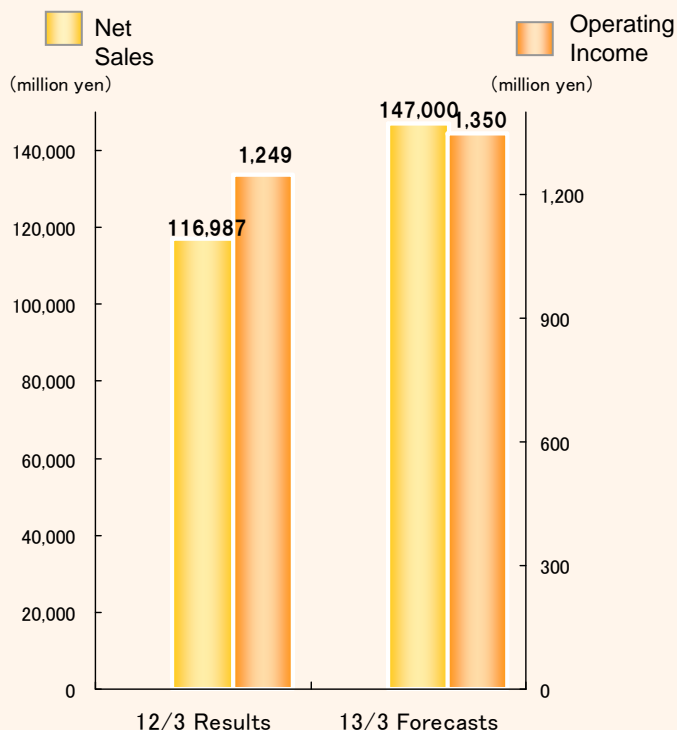
Master Data Mgmt. Service



- Expand of M2M (Machine to Machine) transactions
- Further strengthen alliance with solution partners
- Increase the total sales volume by selling various providers' FTTH service and related products

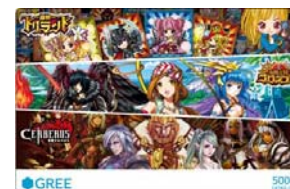
Full-year Forecasts (million yen)

- Net Sales 147,000
- Operating Income 1,350



Business Environment & Future Business Strategy

- In spite of a certain impact from self-regulatory on SNS games, the online settlement amount will continue to increase and there will be stronger demand for Gift Cards in addition to PIN products
- Increase income by diversifying product line as well as sales channel in our Gift Card Business
- ★ Start selling “GREE Prepaid Card” intended for “GREE” Coins (virtual money) necessary to purchase paid items used in “GREE” SNS operated by GREE, Inc.



※GREE is registered trademark of GREE, Inc.

- ★ Expansion of sales channel into mobile-phone shops: Start selling application for Android™ Smart-phones made by SOURCENEXT CORPORATION in the form of prepaid cards

<Copyright:©SOURCENEXT CORPORATION>



※Android is registered trademark of Google Incorporated

Mobile-phone Distribution Business in China

Marketing for Consumers

- Open Five more China Unicom Mobile-phone Shops in Shanghai in 2012 and establish the sales structure with Ten Shops in total



Marketing for Corporate Clients

- Promote sales and marketing activities continuously for Japanese companies mainly targeting the group companies of major Japanese trading firms to be entrusted with mobile-phone mgmt. service



Capital Policy & Return to Shareholders

Stock Split and Adoption of Share Trading Unit System

We plan to conduct the 200-for-1 Stock Split with the base date of Sep. 30 and effective date of Oct. 1, 2012. Moreover, we will adopt the Share Trading Unit System at the same time. The objectives of stock Split are to increase the liquidity of T-Gaia's stock and broaden our investors base by reducing the price of one investment unit, as well as to adopt the Share Trading Unit System in which each share of common stock will be split into 200 shares and the stock will be trade in 100-share units.

Acquisition and Cancellation of Treasury Stock

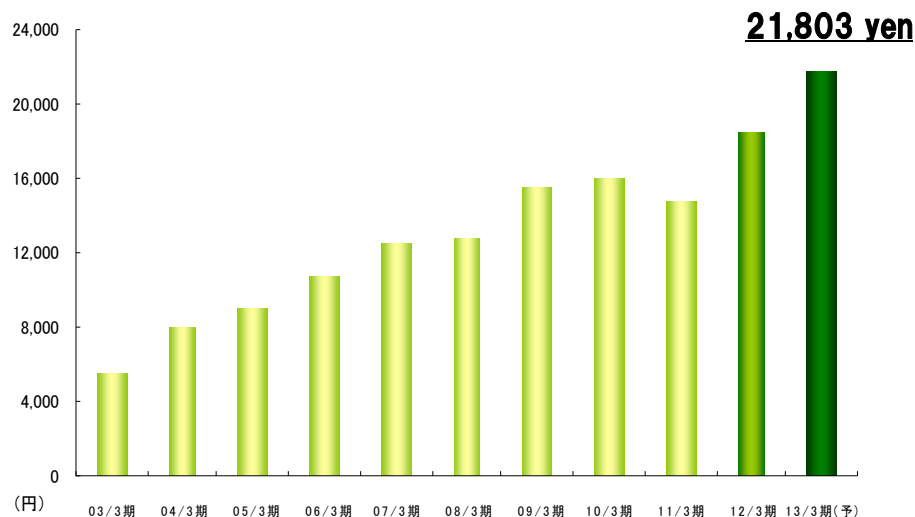
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[Dividend Policy]

We have been targeting Dividend Payout Ratio over 30% Level based on our Dividend Policy to return to our shareholders in consideration of our financial performance while securing internal reserve necessary for our future business development as well as strengthening of the management base.

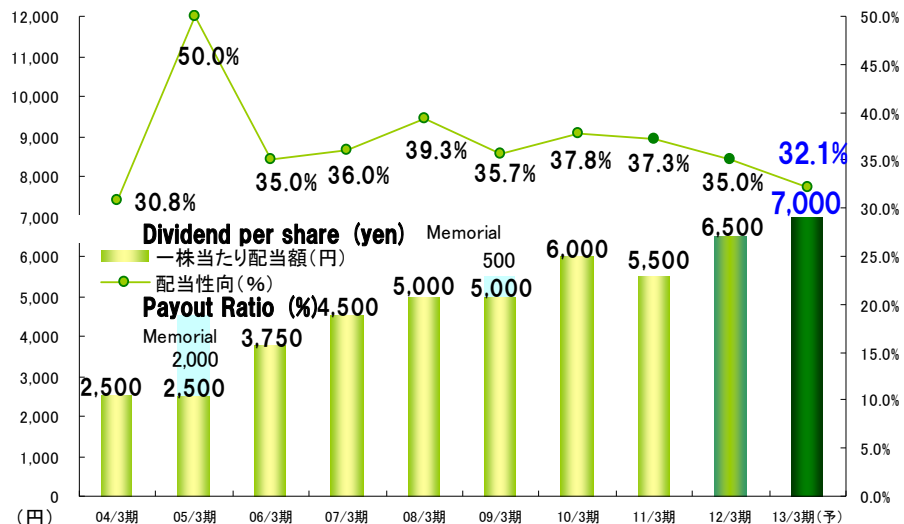
Annual Dividend/Share for FY ending March 2013 (Forecast) : **7,000 yen (Pre-split basis)**
 ※Increase by 500 yen/Share from 6,500 yen in the previous year

Net Income per Share (Pre-split basis)



※ Amount for 2013/3 (Forecast) is calculated reflecting acquisition and cancelation of Treasury Stock

Dividend per Share & Payout Ratio (Pre-split basis)



※Dividend Payout Ratio for 2013/3 (Forecast) is calculated based on the No. of shares outstanding after cancelation of Treasury Stock 20

Management Strategy for Future Growth

Proactively Advancing Three-directional Effort, named “SHINKA” meaning “Revolution”, “Deepening” & Evolution in Japanese Pronunciation, For Further Business Growth over the Medium & Long Term

1

Establishing New Business Model

Renovation

Establishment of New Business Platform

- Proactively engaging in new business fields centralized on solution services using devices & applications diversifying into new business areas
- Entering overseas markets and launching foreign business initiatives focusing on operations in China

2

Increasing Depth of Existing Business Model

Deepening

Maximization of Customer Satisfaction

- Increasing & strengthening sales networks and enhancing quality of sales
- Developing new merchandize resources and providing services with high added value

3

Further Progress in Management Base

Evolution

Innovation of Internal Infrastructure

- Promoting development of human resources capable of dealing with new business models & global initiatives
- Creating internal framework that cultivates spirit of challenge
- Creating & introducing next version of newly upgraded main systems