

Consolidated 3Q Financial Results for FY ending March 2013

February 8, 2013



Mobile Telecommunication Business



Solutions Marketing Business



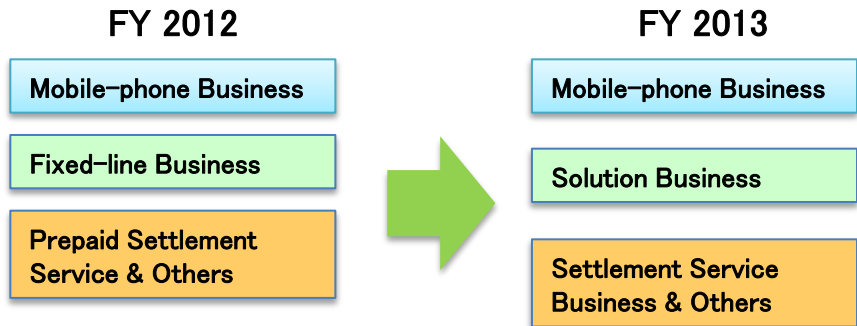
Settlement Services & Other Business

*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.

Consideration for Referring This Material

Change to the Business Segments

- We made a change to the business segments at the beginning of this fiscal year ending March 2013 as follows:



- Combined 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

- Changed the segment name of Prepaid Settlement Service & Others to Settlement Service Business & Others

Increase of Consolidated Subsidiaries

- 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.
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Cancellation of Treasury Stock, Stock Split and Adoption of Share Trading Unit System

- We cancelled Treasury Stock of 117,985 shares in total as of May 31, 2012.
- We conducted the 200-for-1 Stock Split with the base date of Sep. 30 and effective date of Oct. 1, 2012. Moreover, we adopted the Share Trading Unit System at the same time.

Outline of Consolidated YTD(Year-To-Date) 3Q Financial Results for FY ending March 2013



Summary of 3Q Financial Results for FY ending March 2013

(Unit : 0.1billion yen)	12/3 3Q YTD Results	13/3 3Q YTD Results	YoY Change (%)	13/3 Full-year Forecasts	Full-year Achievement Ratio (%)
Net Sales	5,089.7	5,438.1	106.8%	7,600.0	71.6%
GrossMargin (to Net Sales)	458.2 (9.0%)	492.5 (9.1%)	107.5%	690.0 (9.1%)	71.4%
SGA Expenses	366.6	411.4	112.2%	537.0	76.6%
Operating Income (to Net Sales)	91.6 (1.8%)	81.0 (1.5%)	88.4%	153.0 (2.0%)	52.9%
Ordinary Income (to Net Sales)	91.2 (1.8%)	79.9 (1.5%)	87.6%	150.0 (2.0%)	53.3%
Net Income (to Net Sales利益率)	46.7 (0.9%)	44.1 (0.8%)	94.3%	86.0 (1.1%)	51.3%
Net Income/share(yen) (※)	54.43	55.27	101.5%	108.08	—
Dividend/share(yen) (※)	16.25	17.50	—	35.00	—

※We cancelled Treasury Stock of 117,985 shares in total as of May 31, 2012.

※ Net income per share has been calculated based on the average number of outstanding shares issued during the current fiscal year and impact from the stock split has been reflected as the same as for dividend per share.

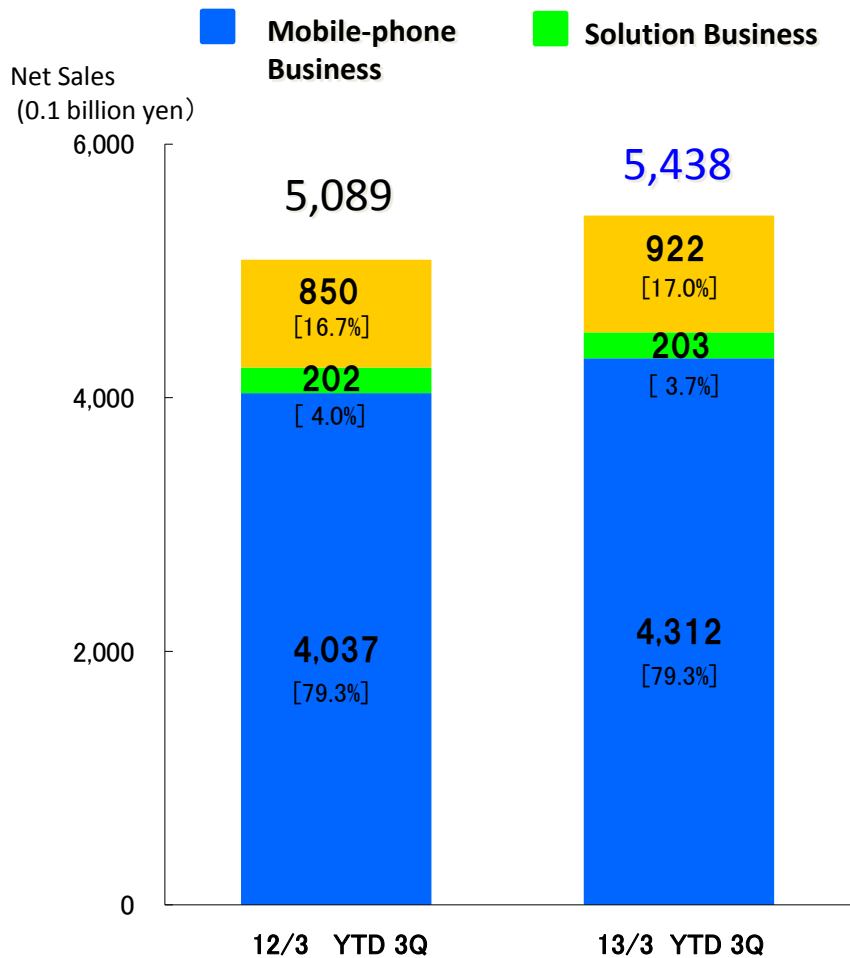
Summary of 3Q Financial Results for FY ending March 2013 on a Quarterly basis

Unit: 0.1 billion yen	Apr. - June, 2011	Apr. - June, 2012	YoY Change	July - Sep., 2011	July - Sep., 2012	YoY Change	Oct. - Dec., 2011	Oct. - Dec., 2012	YoY Change
	1Q (Non-consolidated) ^A	1Q (Consolidated) ^B	(B/A)	2Q (Non-consolidated) ^C	2Q (Consolidated) ^D	(D/C)	3Q (Consolidated) ^E	3Q (Consolidated) ^F	(F/E)
Net Sales	1,555.1	1,678.2	107.9%	1,716.7	1,814.3	105.7%	1,817.8	1,945.6	107.0%
Gross Margin (to Net Sales)	147.5 (9.5%)	157.5 (9.4%)	106.8%	159.1 (9.3%)	172.2 (9.5%)	108.2%	151.5 (8.3%)	162.7 (8.4%)	107.4%
SGA Expenses	117.3	137.5	117.3%	123.9	137.9	111.3%	125.3	136.0	108.5%
Operating Income (to Net Sales)	30.2 (1.9%)	19.9 (1.2%)	66.0%	35.2 (2.1%)	34.2 (1.9%)	97.4%	26.1 (1.4%)	26.7 (1.4%)	102.2%
Ordinary Income (to Net Sales)	30.0 (1.9%)	19.5 (1.2%)	65.0%	34.9 (2.0%)	34.1 (1.9%)	97.6%	26.2 (1.4%)	26.2 (1.4%)	100.1%
Net Income (to Net Sales)	16.3 (1.0%)	10.4 (0.6%)	64.0%	19.0 (1.1%)	19.4 (1.1%)	101.9%	11.4 (0.6%)	14.2 (0.7%)	124.7%

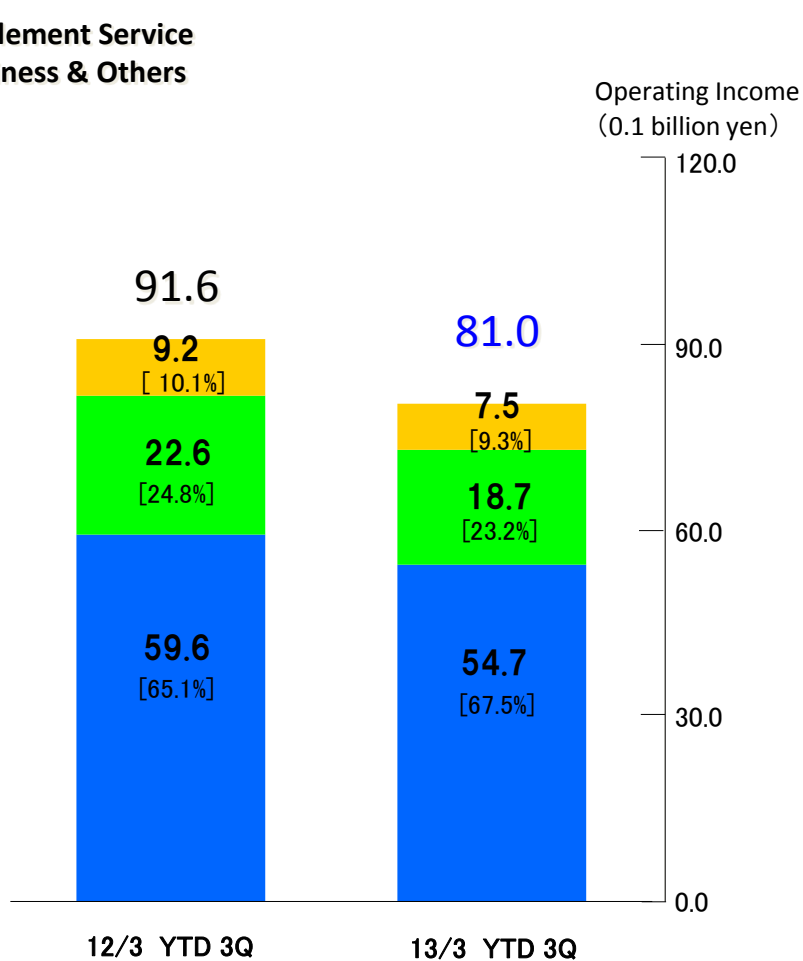
※We have started to announce Consolidated Financial Results as we had merged TG Miyazaki as of Dec. 1, 2011. Therefore, Non-consolidated Financial Results are stated for 1Q as well as 2Q for FY ended March 2012.

3Q Financial Results by NEW Business Segment

<Net Sales>

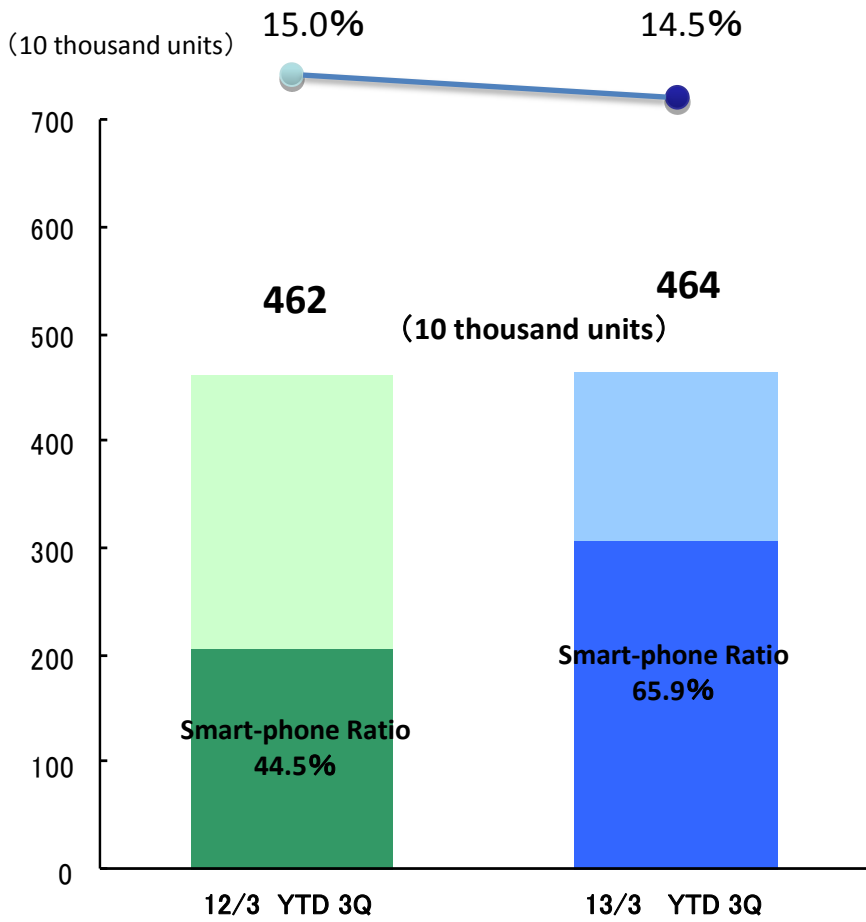


<Operating Income>

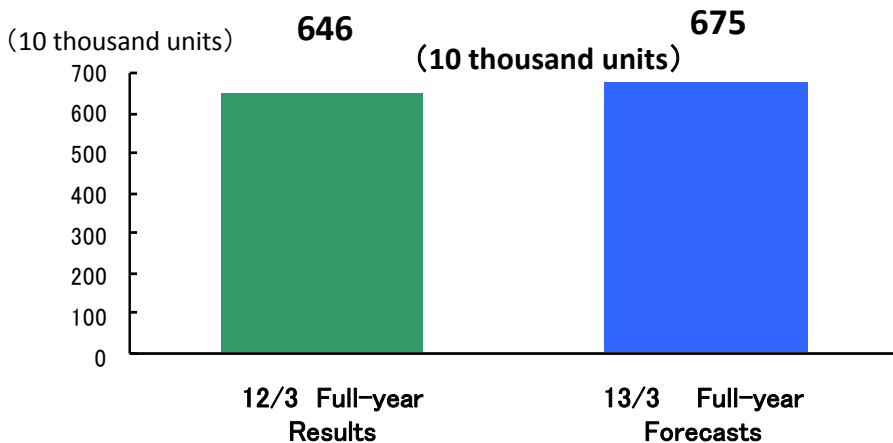
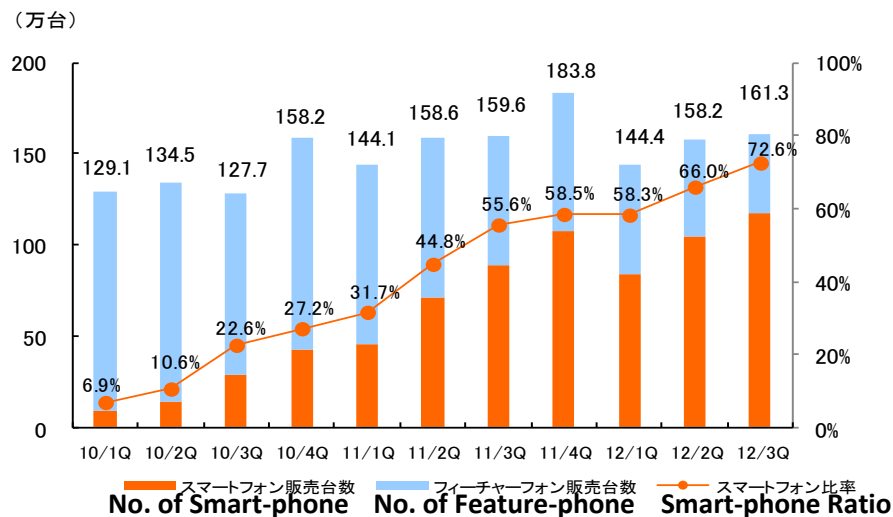


Total No. of Handsets Sold Company-wide in 3Q

Total No. of Handsets Sold & TG's Market Share in Three Main Telecom Carriers

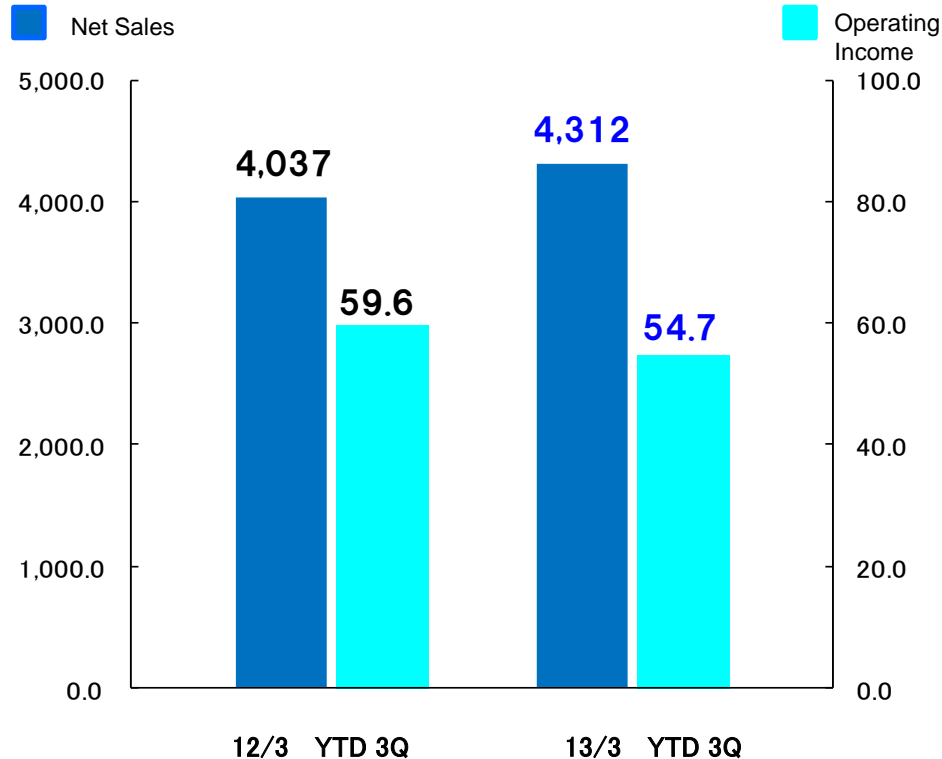


Total No. of Handsets of Three Main Telecom Carriers Sold & Smart Phone Ratio on a Quarterly basis (10 thousand Units)

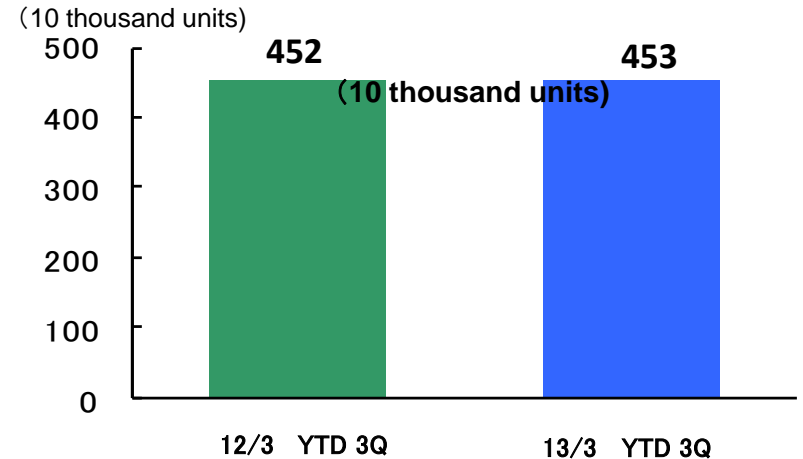


Mobil-phone Business

Financial Results Comparison (0.1billion yen)

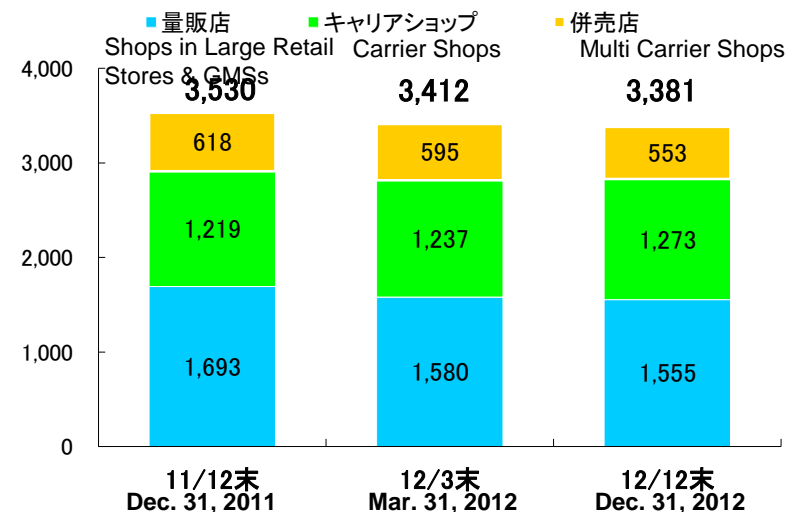


Total No. of Handsets Sold in Mobile-phone Business Segment



- Net Sales increased due to rising smart-phone ratio
- Operating Income decreased owing to increase of SGA expenses

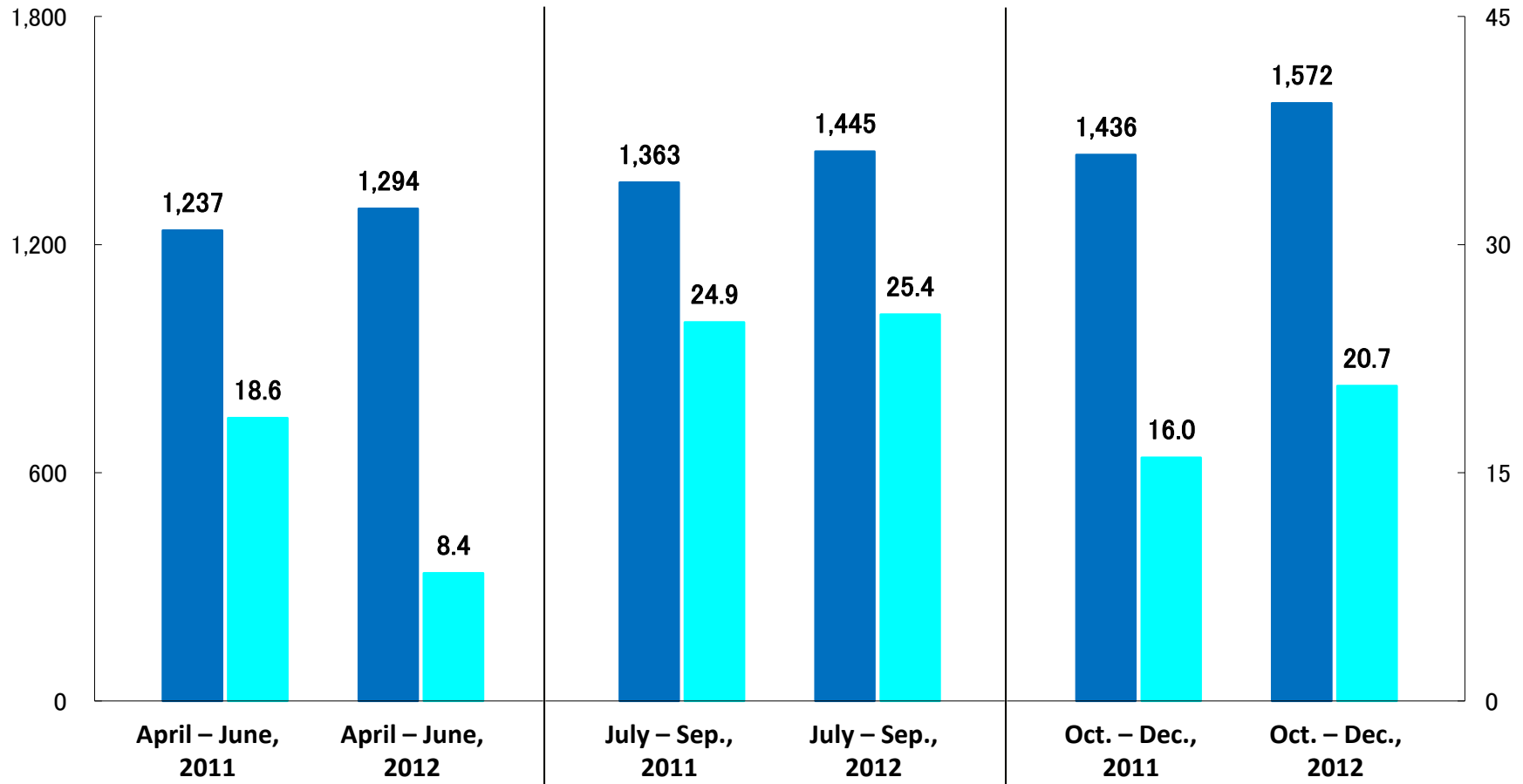
No. of Sales Base in Japan



Mobil-phone Business on a Quarterly Basis

■ Net Sales (0.1 billion yen)

■ Operating Income (0.1 billion yen)



▪ In addition to launch of new models & aggressive sales promotion campaigns, efforts to improve unprofitable sales channels have gradually contributed to income recovery

Main factors for decrease of income

① Increase of workload in the front of shops

- Increase of both No. of sales staff and their working hours
- Change of employment system to retain excellent staff

② Increase of selling costs in the large retail stores/GMSs

- Impact from new stores opened in both this & previous fiscal years
- Change of commission/sales support policy of telecom carriers

③ Diversification of mobile terminals

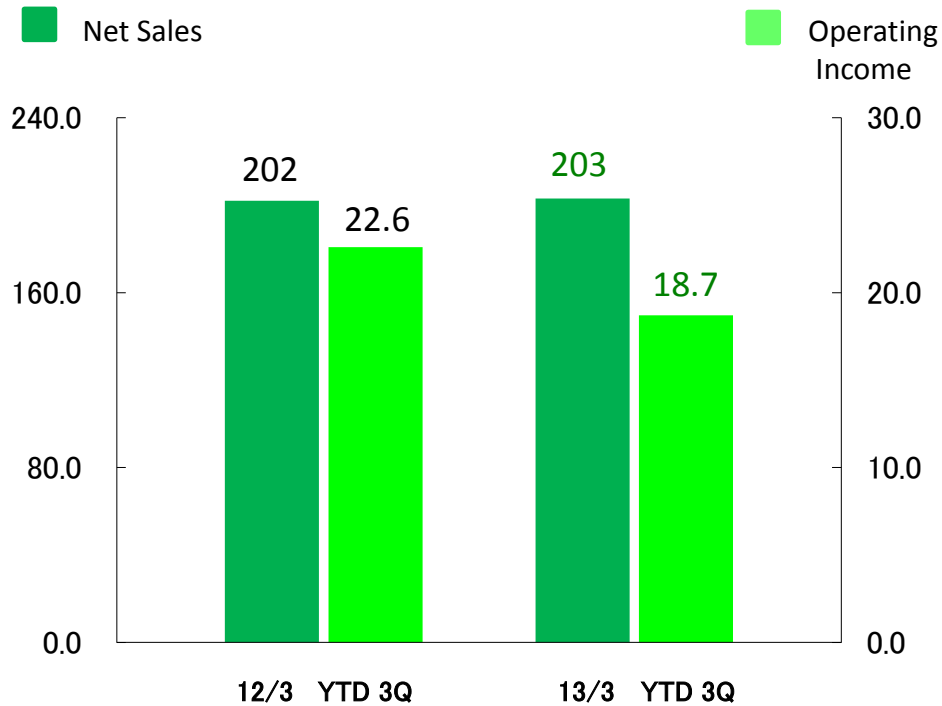
- Increase of selling costs due to expansion of product lineup & shortened life cycle of mobile terminals

Our main efforts & approaches in this fiscal year

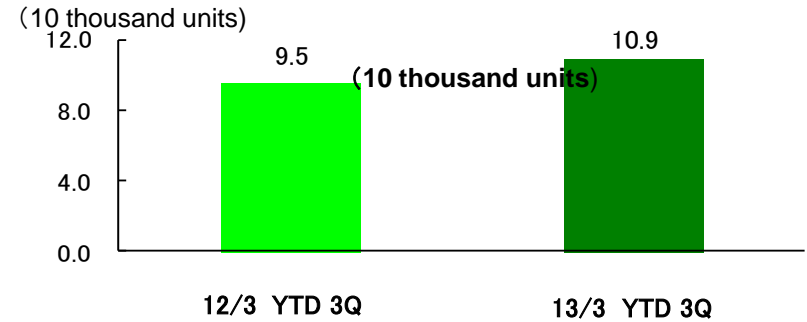
- ① Set up “TG Academy” to strengthen our staff education & training systems**
- ② Improvement of Non-profitable Sales Channels**
- ③ Strengthening of sales of products related to mobile-phones especially smart-phones such as accessories etc., with the increase in sales volume of smart-phones**
- ④ Launched specialized shops with the brand name of “Smart Labo” offering accessories for smart-phones**

Solution Business

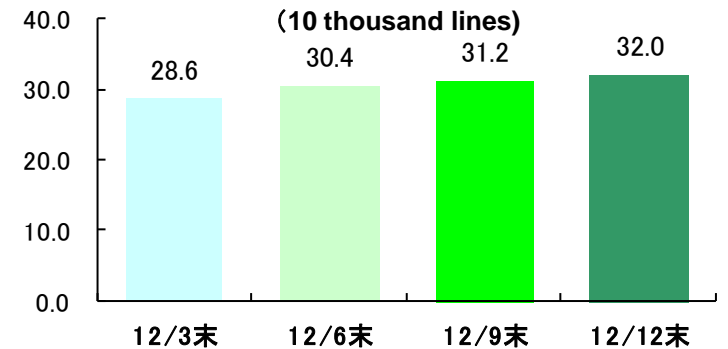
Financial Results Comparison (0.1billion yen)



Total No. of Handsets Sold in Solution Business Segment



Total No. of Subscribers for "movinostar" service

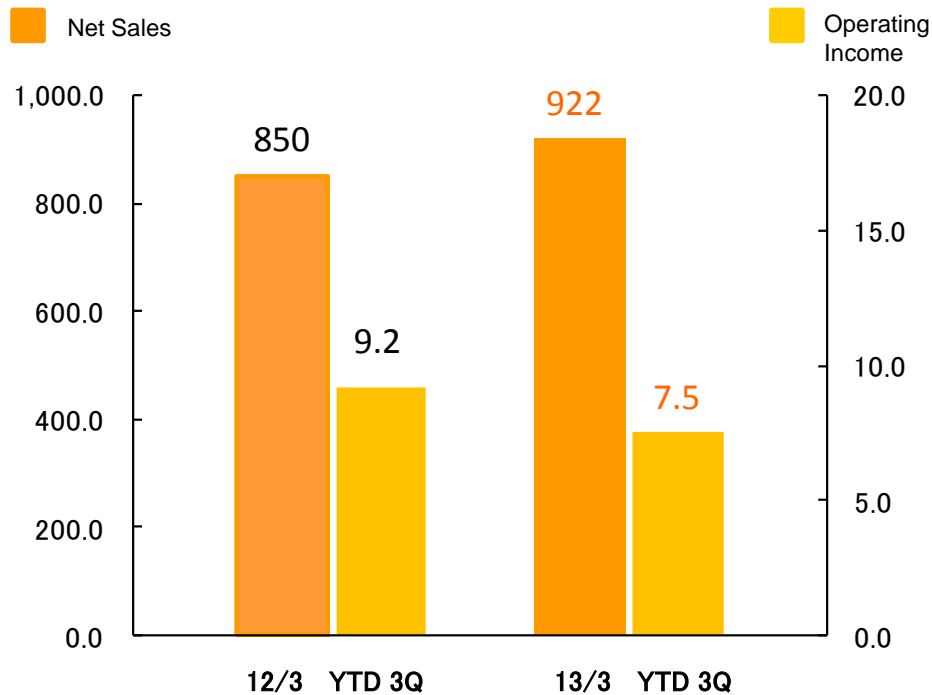


Mar. 31, 2012 Jun. 30, 2012 Sep. 30, 2012 Dec. 31, 2012

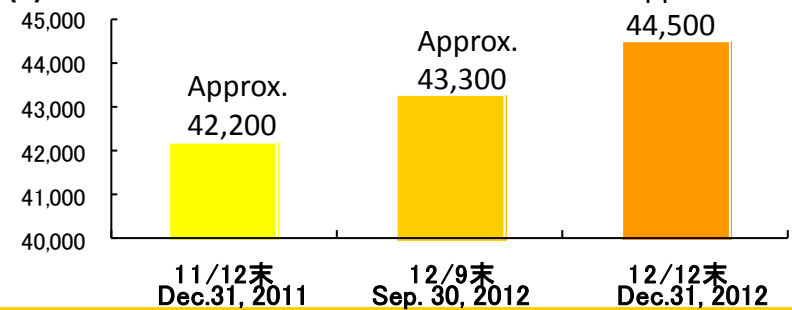
- Increase of sales volume of mobile-phones for corporate clients contributed to growth of net sales
- Operating income decreased due to end of new sales of MYLINE service

Settlement Services Business & Others

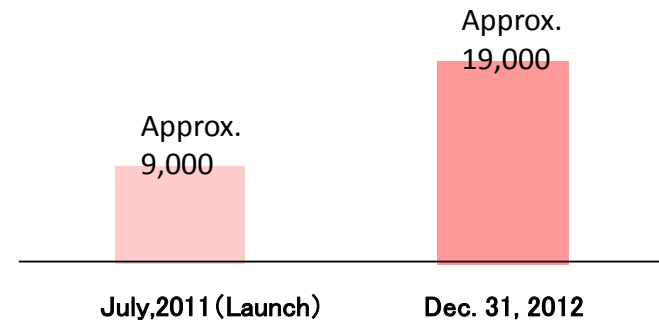
Financial Results Comparison (0.1 billion yen)



Total No. of convenience stores dealing PIN (*):
 (*)Personal Identification Number



Total No. of convenience stores dealing Gift Cards



- PIN products related to e-money were sold well due to increase of e-settlement amount
- Initial costs occurred in order to expand sales channels for Gift Cards

〈PIN Products〉



〈Gift Card Products〉



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



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



※GREE is registered trademark of GREE, Inc.



※Mobage is registered trademark of DeNA Co., Ltd.



※Distributor: AVEX Marketing Co., Ltd.

Mobile-phone Distribution Business in China: Shanghai

Marketing for Consumers

- Opened Our Sixth China Unicom Mobile-phone Shop in Shanghai in July 2012
- Opened Our Seventh China Unicom Mobile-phone Shop in Shanghai in Dec. 2012

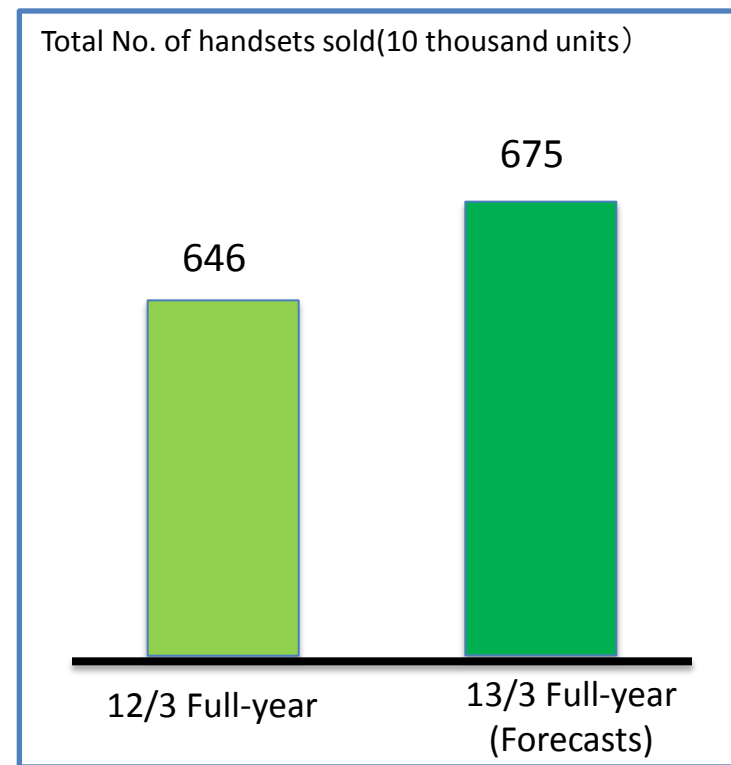
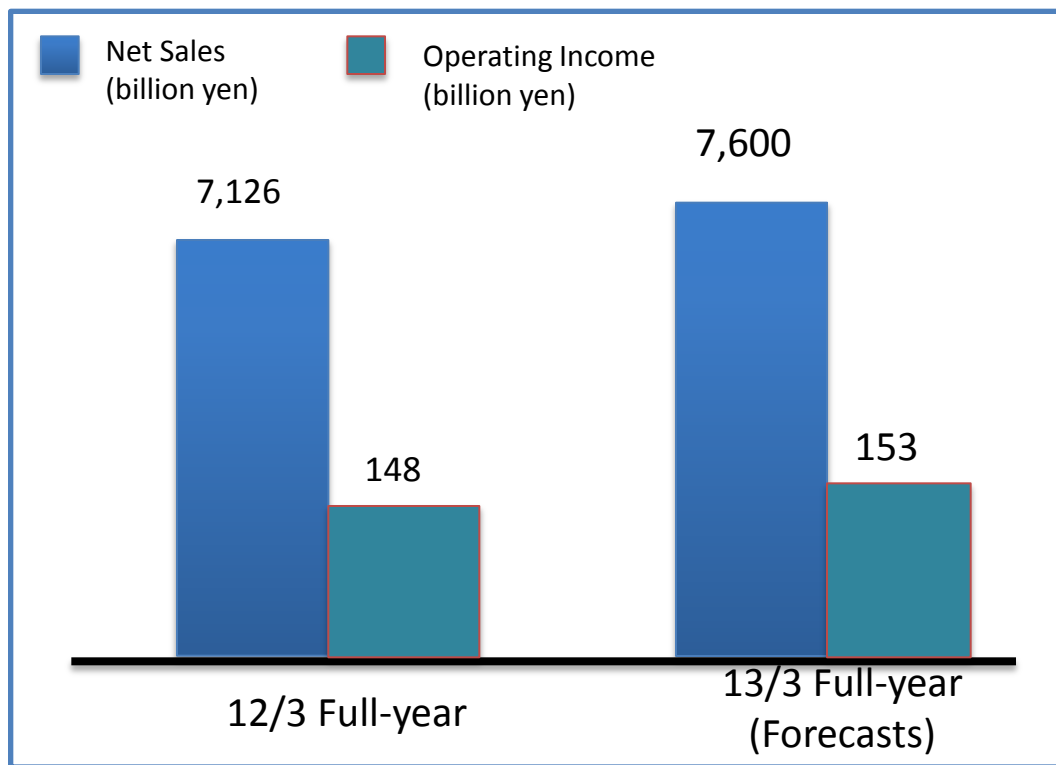


Marketing for Corporate Clients

- 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

Forecasts for FY ending March 2013

Consolidated Forecasts for all TG Group



- No change in Consolidated Full-year Forecasts

Consolidated Forecasts for FY ending March 2013

(Unit : million yen)	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	21,616.89	3,065.67	116.5%
Dividend /Share (yen) [※] (Payout Ratio)	6,500.00 (35.0%)	7,000.00 (32.4%)	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 has 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 have combined 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 have made change to our business segments and since the first quarter for FY ending March 2013, we have applied 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

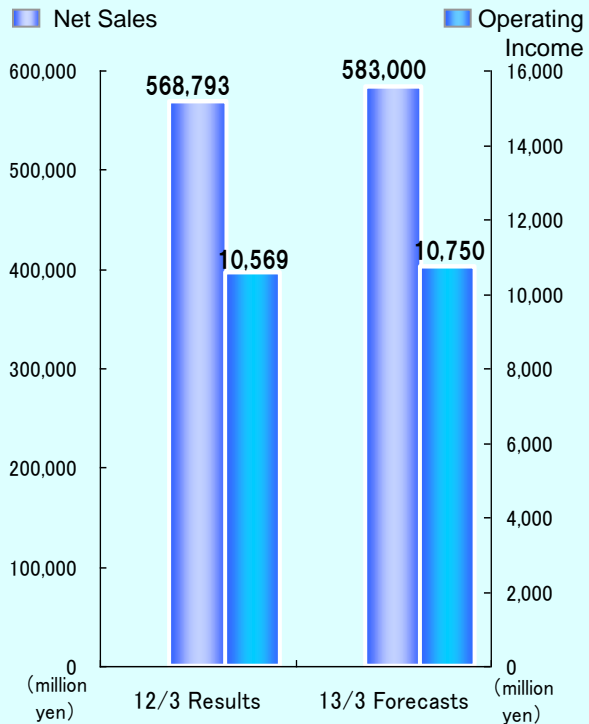
(Unit: million yen)		2012/3 Re-calculated Results	2013/3 Forecasts	
		Amount	Amount	YoY basis (%)
Mobile-phone Business	Net Sales	568,793	583,000	102.5%
	Operating Income	10,569	10,750	101.7%
Solution Business	Net Sales	26,902	30,000	111.5%
	Operating Income	3,054	3,200	104.8%
Settlement Service Business & 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%

Consolidated Full-year Forecasts for FY ending March 2013

Mobile-phone Business

(Unit: million yen)

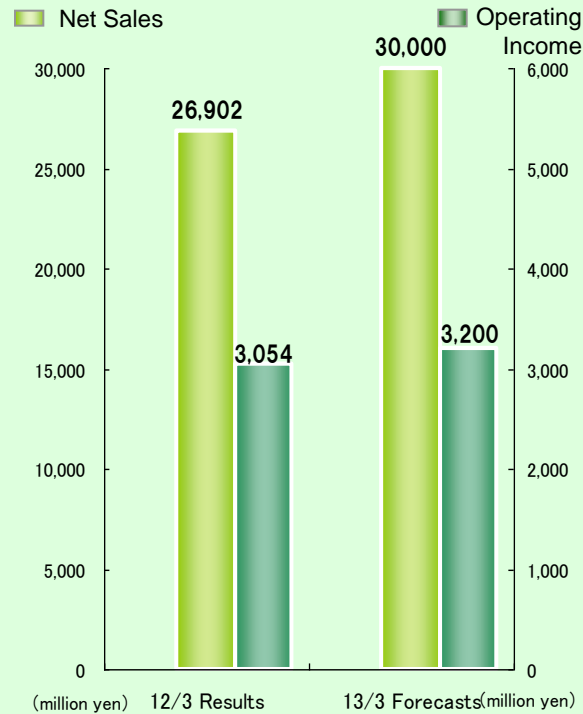
- Net Sales 583,000
- Operating Income 10,750
- No. of handsets
6.60 million units



Solution Business

(Unit: million yen)

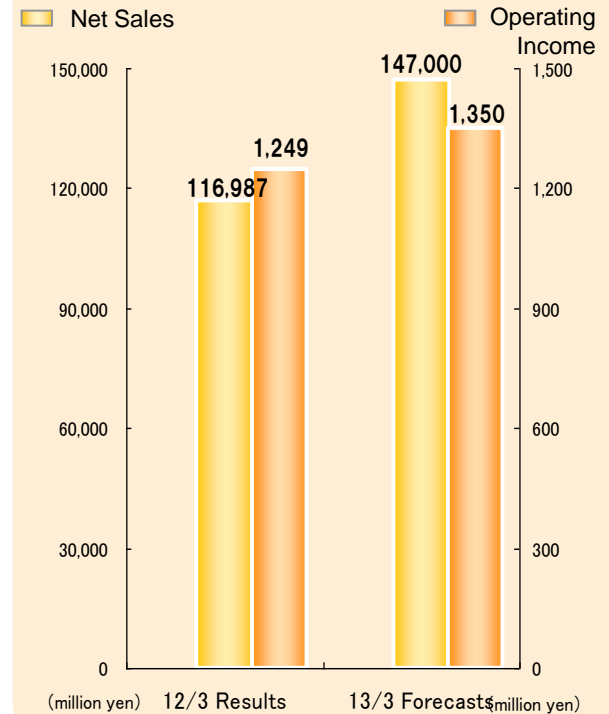
- Net Sales 30,000
- Operating Income 3,200
- No. of handsets
0.15 million units



Settlement Services & Others

(Unit: million yen)

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



Capital Policy

Stock Split and Adoption of Share Trading Unit System

[Objectives]

- To increase the liquidity of T-Gaia's stock and broaden our investors base by reducing the price of one investment unit, actually dividing it into halves

[Details]

- To conduct the 200-for-1 Stock Split

Base Date : September 30, 2012 / Effective Date : October 1, 2012

- To adopt the Share Trading Unit System to trade T-Gaia's stock in 100-share units at the same time

Cancellation of Treasury Stock

[Objectives]

- To improve capital efficiency and increase stockholder value

[Details]

- We cancelled Treasury Stock of 117,985 shares in total as of May 31, 2012

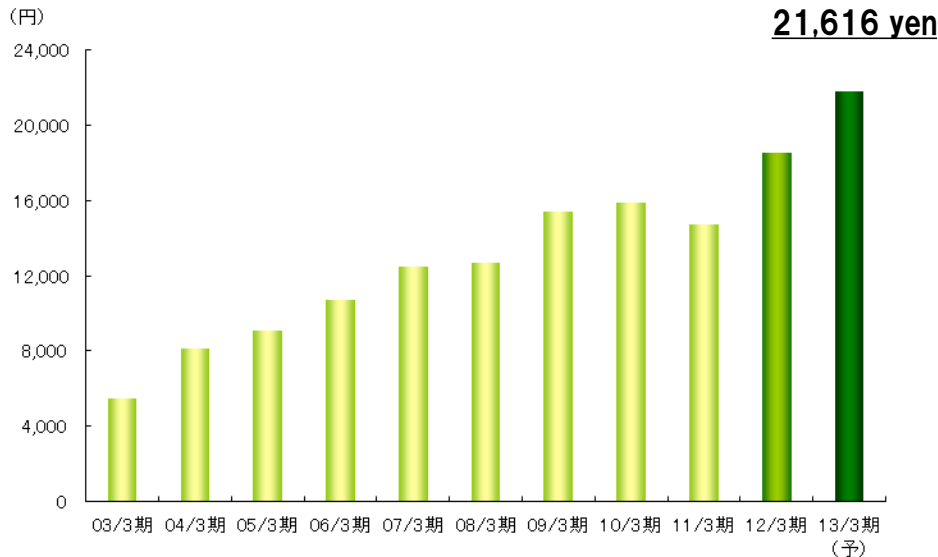
※Reference: The total number of shares issued and outstanding as of the end of September 2012
⇒ 394,438 shares (78,887,600 shares after Stock Split)

Return to Shareholders: Dividend Policy

[Basic Dividend Policy]

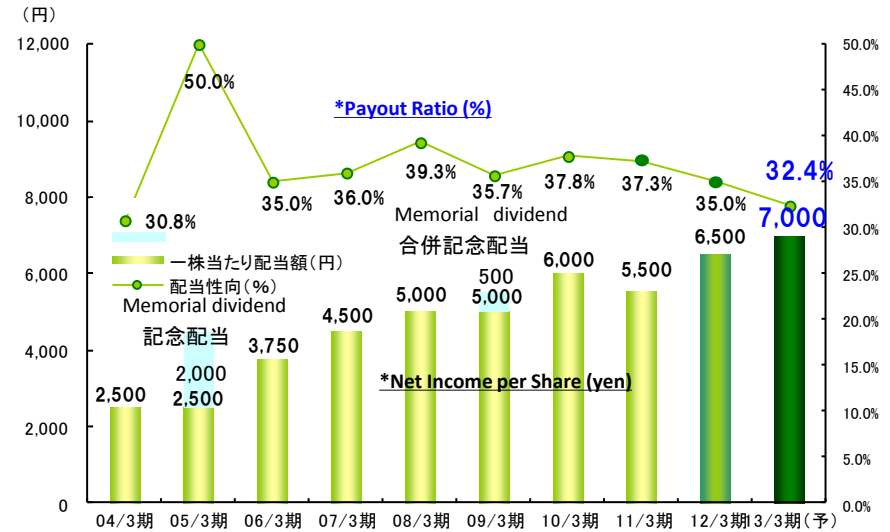
- We have been targeting and maintaining **Dividend Payout Ratio over 30% Level**

Net Income per Share (Pre-split basis)



※Amount for 2013/3 (Forecast) is calculated based on the average number of shares outstanding during the period.

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



※Dividend Payout Ratio for 2013/3 (Forecast) is calculated based on the average number of shares outstanding during the period.

[Year-end Dividend per Share for FY ending March 2013(Forecast)]

17.5 yen/Share

※After-split basis

⇒ Increase by 500 yen / Share to 7,000 yen on a Pre-split basis

from 6,500 yen in the previous fiscal year ended March 2012

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