

Consolidated Financial Results for FY ended March 2014

May 21, 2014



Mobile Telecommunication
Business



Solutions Marketing
Business



Settlement Services &
Other Business

Disclaimer

*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.

Outline of Financial Results for FY ended March 2014

Key Points of Financial Results

Net Sales : 707 billion yen (YoY 95.9%)

Operating Income : 12.76 billion yen (YoY 108.1%)

Main Factors for Decreased Net Sales

- Total sales volume in mobile/smart-phone market have been below expectations especially in 2Q & 3Q , in addition to streamlined sales channel
- Difference of accounting method between PIN products & Gift Cards for calculating net sales in Settlement Service Business

Main factors for Increased Operating Income

- Improvement of sales quality through continuous education of sales staff and strengthening of smart-phones & tablets sales including products & services related to them
- Promotion of structural reorganization such as improvement of operational efficiency including optimization of sales channel

Summary of Financial Results

| (Unit: 01.billion) | 13/3 Results | 14/3 Results | YoY Change | 14/3 Forecasts | Achievement Ratio |
|---|---------------|---------------|-------------|----------------|-------------------|
| Net Sales | 7,368.5 | 7,070.0 | 95.9% | 7,100.0 | 99.6% |
| Gross Margin (to Net Sales) | 666.8 9.0% | 633.1 9.0% | 94.9% — | — — | — — |
| SGA Expense | 548.7 | 505.5 | 92.1% | — | — |
| Operating Income (to Net Sales) | 118.0 1.6% | 127.6 1.8% | 108.1% — | 128.0 — | 99.7% — |
| Ordinary Income (to Net Sales) | 116.9 1.6% | 126.6 1.8% | 108.3% — | 127.0 — | 99.7% — |
| Net Income (to Net Sales) | 65.8 0.9% | 68.3 1.0% | 103.8% — | 70.0 — | 97.7% — |

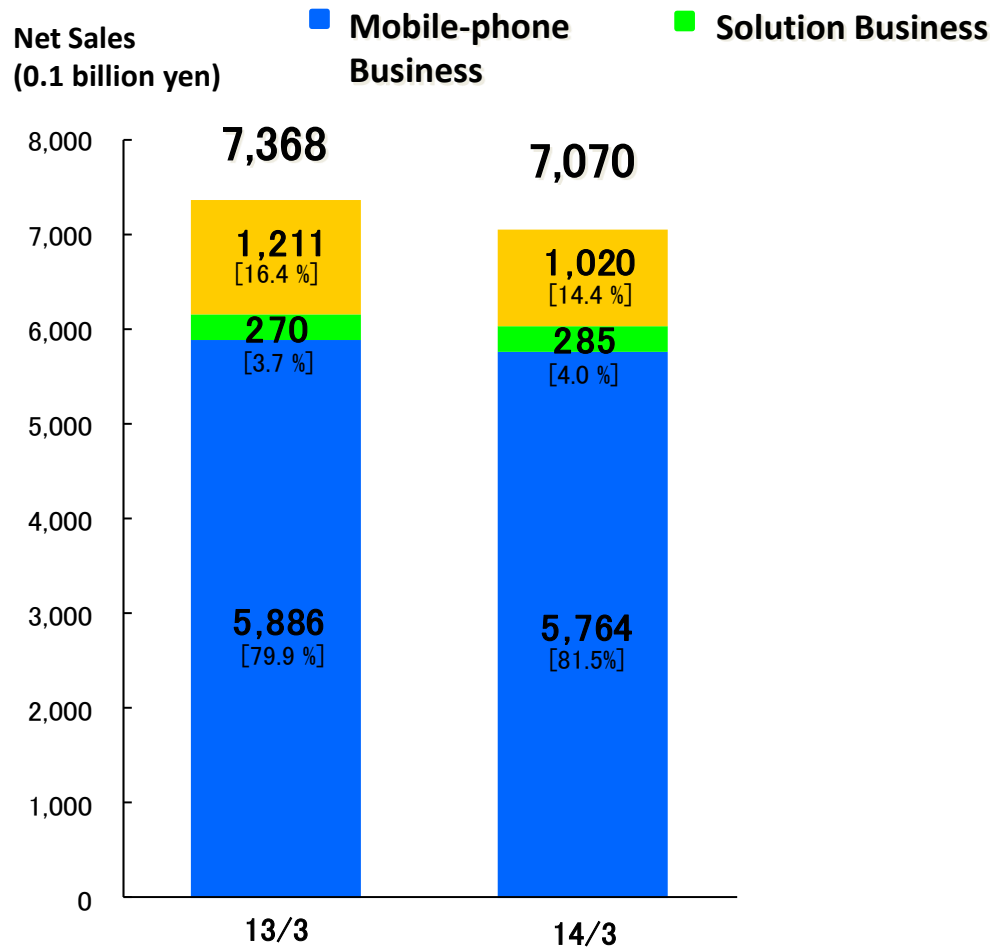
※Forecasts revised on Jan 31, 2014

Summary of Financial Results on a Quarterly basis

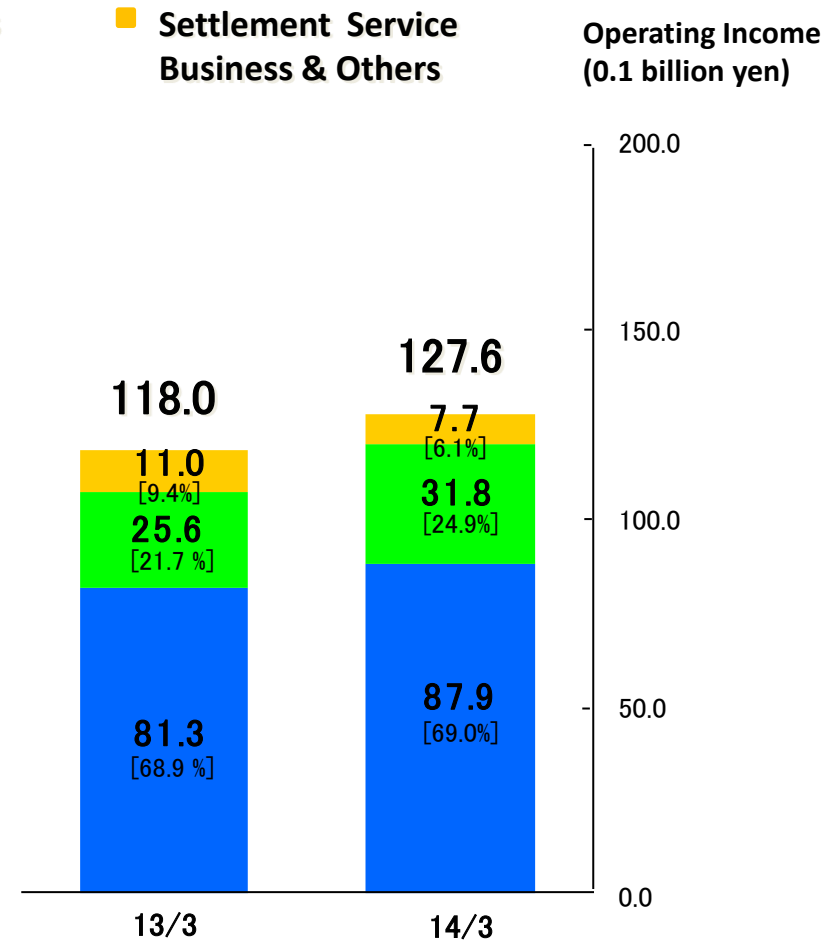
| (billion yen) | 13/3 1Q (Apr.- June) | 14/3 1Q | YoY | 13/3 2Q (July - Sep.) | 14/3 2Q | YoY | 13/3 3Q (Oct. - Dec.) | 14/3 3Q | YoY | 13/3 4Q (Jan. - Mar.) | 14/3 4Q | YoY |
|------------------------------------|----------------------------|-----------------|--------|-----------------------------|-----------------|-------|-----------------------------|-----------------|-------|-----------------------------|-----------------|--------|
| Net Sales | 1,678.2 | 1,687.8 | 100.6% | 1,814.3 | 1,645.5 | 90.7% | 1,945.6 | 1,760.8 | 90.5% | 1,930.3 | 1,975.7 | 102.4% |
| Gross Margin (to Net Sales) | 157.5 (9.4%) | 155.9 (9.2%) | 99.0% | 172.2 (9.5%) | 151.7 (9.2%) | 88.1% | 162.7 (8.4%) | 149.5 (8.5%) | 91.9% | 174.3 (9.0%) | 175.8 (8.9%) | 100.9% |
| SGA Expense | 137.5 | 120.5 | 87.6% | 137.9 | 125.7 | 91.1% | 136.0 | 127.0 | 93.4% | 137.2 | 132.2 | 96.4% |
| Operating Income (to Net Sales) | 19.9 (1.2%) | 35.4 (2.1%) | 177.6% | 34.3 (1.9%) | 25.9 (1.6%) | 75.7% | 26.7 (1.4%) | 22.5 (1.3%) | 84.4% | 37.0 (1.6%) | 43.6 (2.2%) | 117.7% |
| Ordinary Income (to Net Sales) | 19.5 (1.2%) | 35.2 (2.1%) | 180.2% | 34.1 (1.9%) | 25.9 (1.6%) | 76.1% | 26.2 (1.4%) | 22.2 (1.3%) | 84.7% | 36.9 (1.6%) | 43.1 (2.2%) | 116.9% |
| Net Income (to Net Sales) | 10.4 (0.6%) | 20.0 (1.2%) | 191.7% | 19.4 (1.1%) | 14.0 (0.9%) | 72.2% | 14.2 (0.7%) | 11.8 (0.7%) | 83.5% | 21.7 (0.9%) | 22.4 (1.1%) | 103.1% |

Financial Results by Business Segment

<Net Sales>



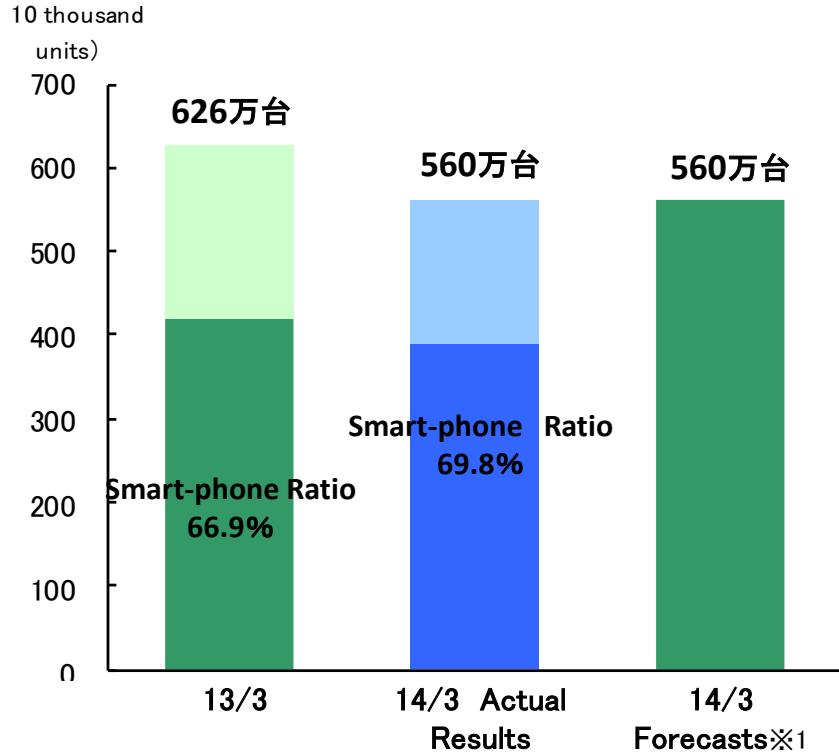
<Operating Income>



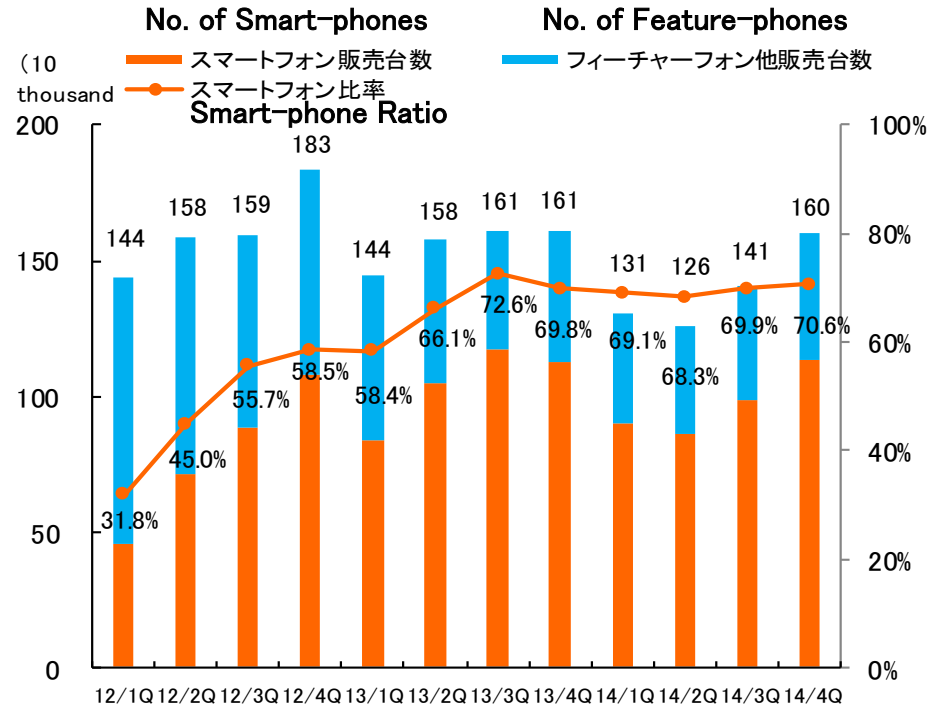
Total No. of Mobile-phones Sold Company-wide

< Total No. of Mobile-phones, etc. sold >

< Total No. of Mobile-phones sold Company-wide & Smart-phone Ratio on Quarterly basis >



※1 Revised on Jan. 31, 2014
 ※2 Including WiFi model

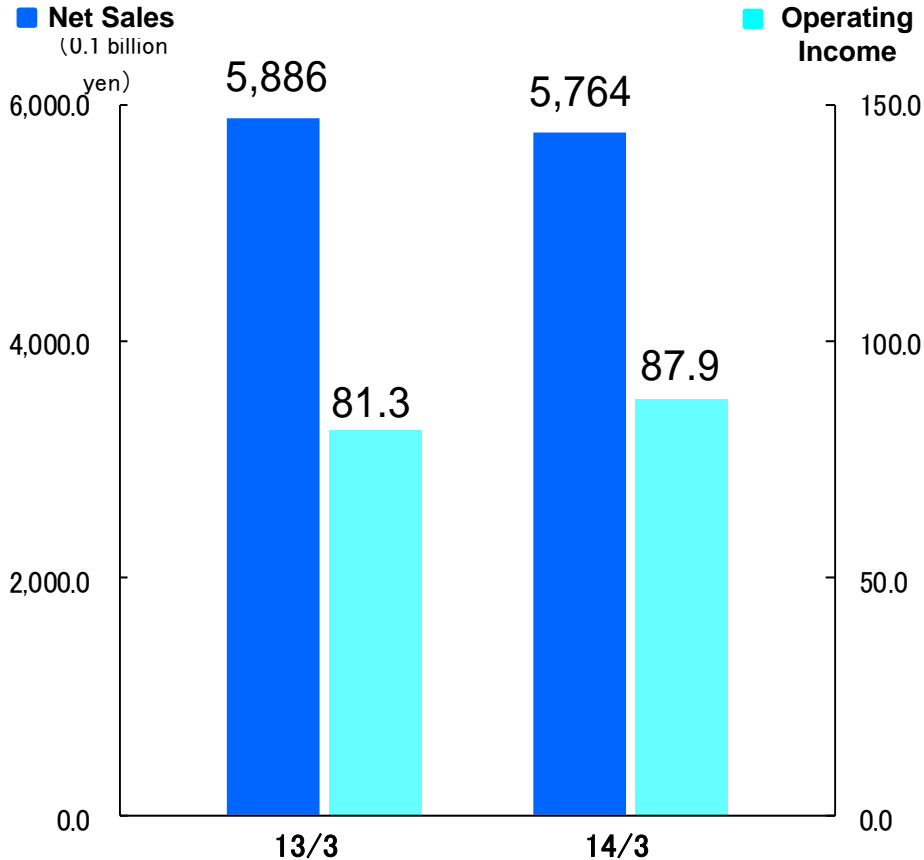


※ Mobile-phones of Three Main Telecom Carriers in Japan

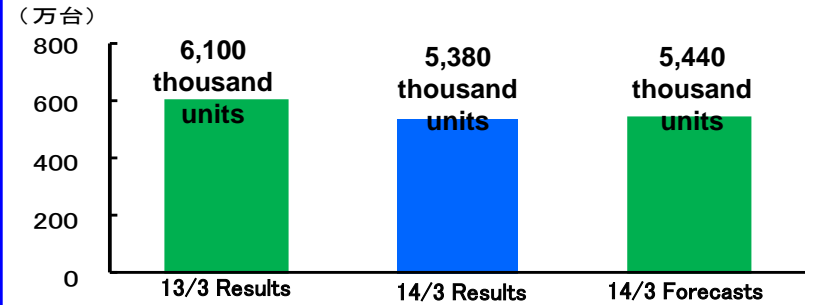
- Sales volume have decreased due to streamlined sales channel & total sales volume in mobile/smart-phone market have been below expectations especially in 2Q & 3Q
- Smart-phone Ratio has risen to approx. 70% mainly because of launch of new models

Mobile-phone Business

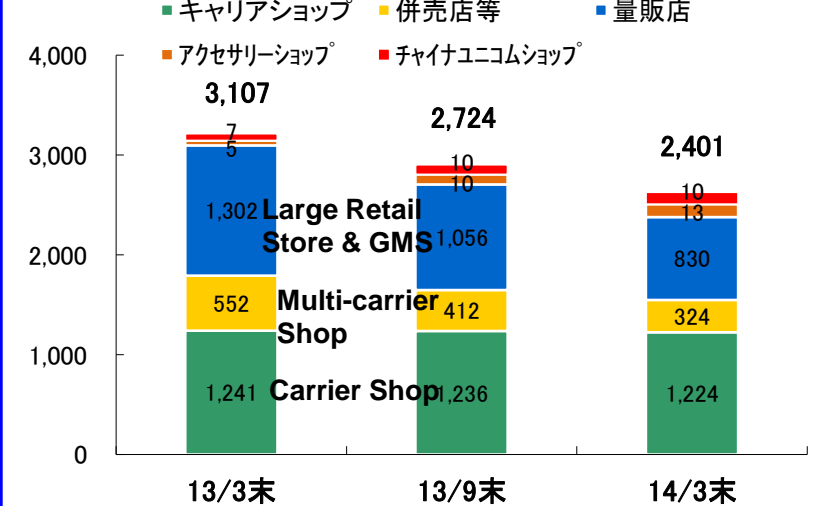
Financial Results Comparison



Total No. of Mobile-phones Sold in the Segment



No. of Sales Base



March 2013 Sep. 2013 March 2014

- Net Sales decreased mainly due to decrease of total No. of mobile-phones sold in the segment
- Improved sales quality through continuous education of sales staff and strengthened sales of smart-phones & tablets sales
- Promoted structural reorganization such as improvement of operational efficiency including optimization of sales channel

Mobile-phone Business: TG Academy

Staff Education & Training System in TG Academy



Staff Education & Training Program

- Shop Manager & Assistant Shop Manager Training
 - Sales Staff & New Sales Staff Training
 - Training Ahead of Customer Service Contest
 - Training to Acquire Carrier Qualification
- etc...

**Fulfil Accountability for Customers Utilizing High-level
Sales Skill & Make Optimized Proposal to Customers
based on a Broad Knowledge**

Mobile-phone Business :

Accessory Shop Development with the brand name of Smart Labo



Opened “Smart Labo Atrre Akihabara” at the largest Electronics Quarter in Japan



Opened “Smartlabo. Style Hankyu Nishinomiya Gardens” at one of the largest Shopping malls in West Japan area

Mobile-phone Business :

Accessory Shop Development with the brand name of AppBank Store

APPBANK STORE

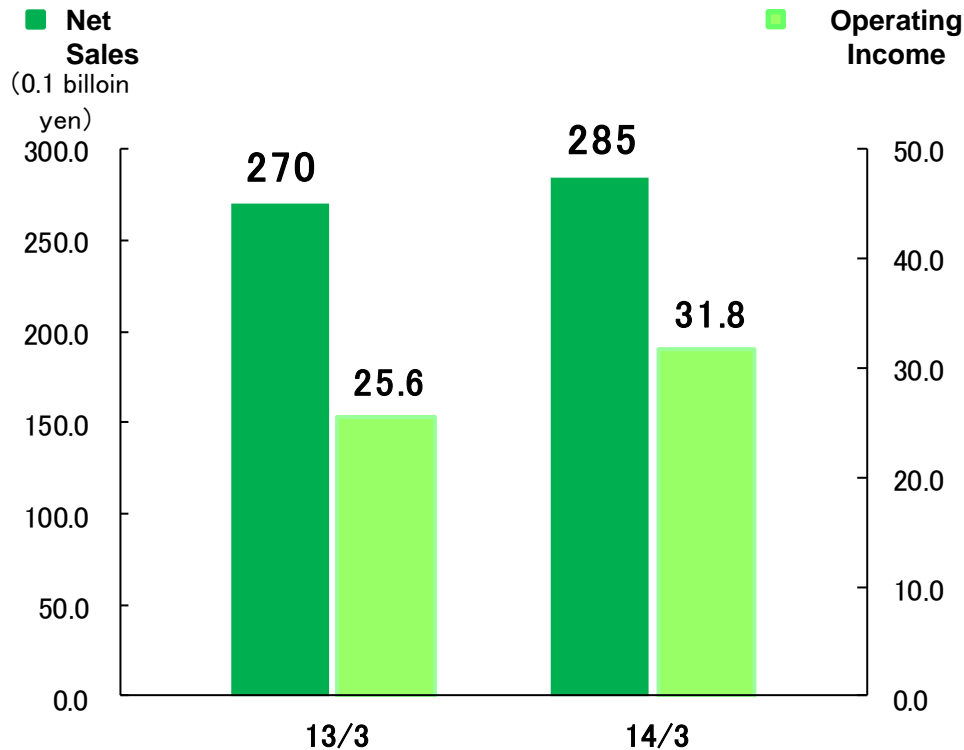
- Opened “AppBank Store Shinjuku” as one of the largest accessory shops for iPhones in Japan in cooperation with AppBank (Store) Co., Ltd.



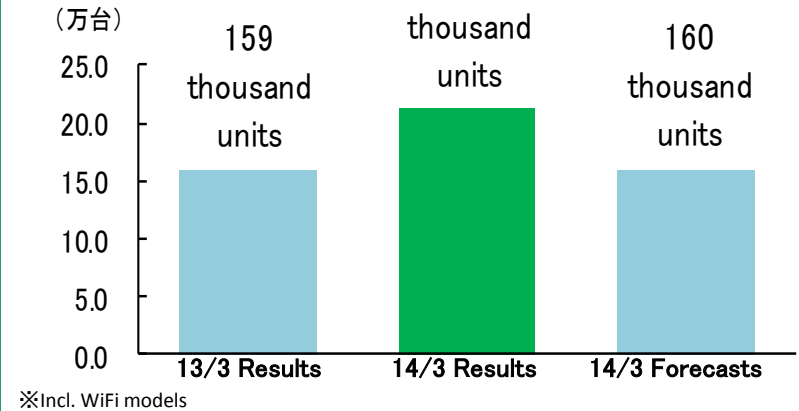
- Opened “AppBank Store Harajuku” at Takeshita-dori, the world’s fashion center

Solution Business

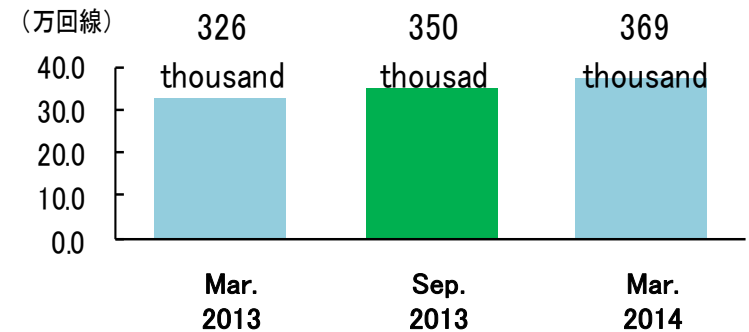
Financial Results Comparison



Total No. of Mobile-phones, etc. Sold in the Segment 213



Total No. of lines subscribing for "movinostar"



▪ Increase of sales volume of mobile-phones for corporate clients and subscription for various solution service such as kitting & Mobile Device Mgmt. contributed to growth of both net sales & operating income

Solution Business : Acquisition of WAM!NET Japan K.K.

Acquired Major Ownership of the Company and made it Consolidated Subsidiary
On March 31, 2014.

- Corporate Name : WAM!NET Japan K.K.
- Location : Eiha Shinkawa 9F, 1-5-17, Shinkawa Chuo-ku, Tokyo
- Date of Establishment : August 30, 1999
- Representative Person : Mr. Nobuyuki Fukui, Representative Director & President concurrently serving as Managing Officer of T-Gaia Corp.
- Capital : 200 million yen
- No. of Shares Acquired : 3,081 shares of Common Stock (Ownership ratio: 63.5%)
- Other Major Shareholder : NTT Communications Corporation (Ownership ratio: 34.0%)
- Date of Acquisition : March 31, 2014

Solution Business : About WAM!NET Japan K.K.



WAM!NET is a company providing “Cloud Service” for transmitting, sharing and storing large-volume data to corporate clients such as manufactures, building constructors, printing/publishing companies and content providers/holders.

Content Solution Business



Cloud Service for various corporations including printing / publishing companies (Transmitting, sharing and storing large-volume data)



ASP for utilizing & storing contents permanently

FAX Server Software Business



Development, production, sale and maintenance of high-spec FAX transmission & reception system

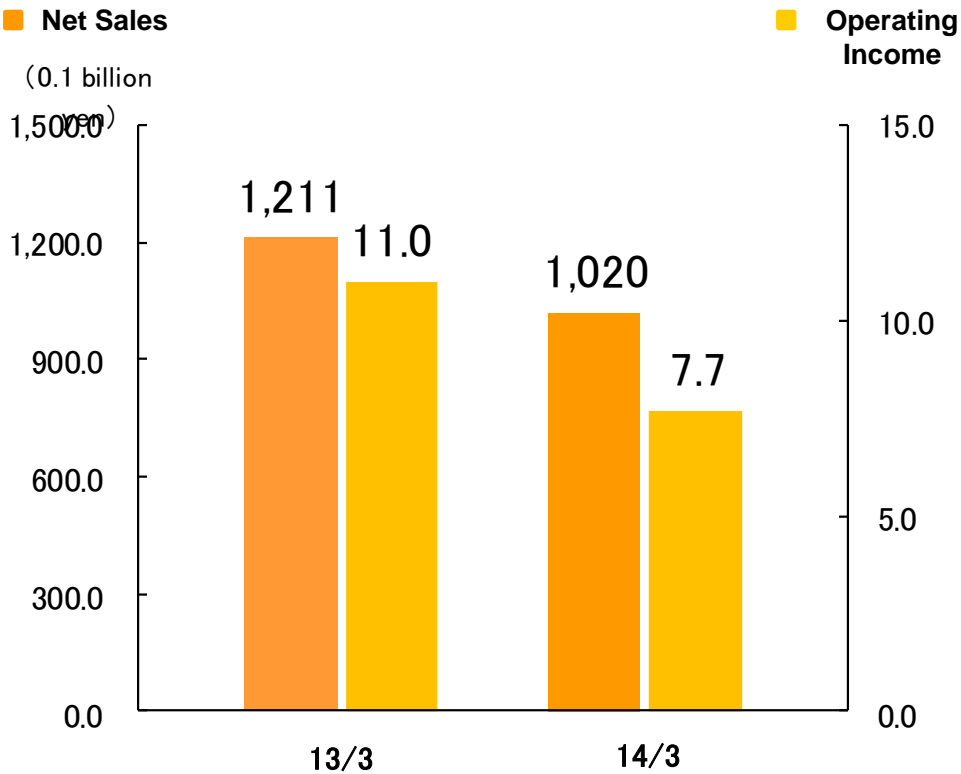
System / Network Integration Business



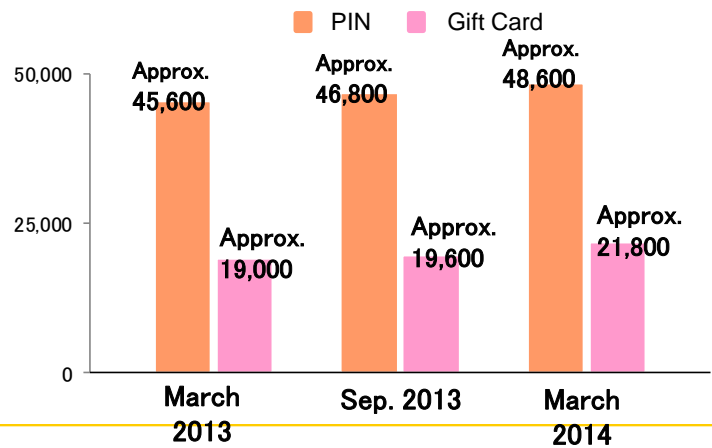
System Development Network Integration

Settlement Service & Other Business incl. Overseas Business

Financial Results Comparison



Total No. of convenience stores dealing PIN/Gift Card



China Unicom Shops



- Operating Income decreased mainly due to investment in mobile-phone distribution business in China especially to open new mobile shops
- Managing ten China Unicom Shops in Shanghai
- Newly established “Advanced Star Link Pte.Ltd.” as overseas subsidiary to start Settlement Service Business in Singapore

Consideration

Increase of Consolidated Subsidiaries

WAMINET Japan K.K. and Advanced Star Link Pte.Ltd.
became our consolidated subsidiaries at the end of the Fiscal Year ended March 2014

Results of Acquisition of Own Stock & Public Tender Offer

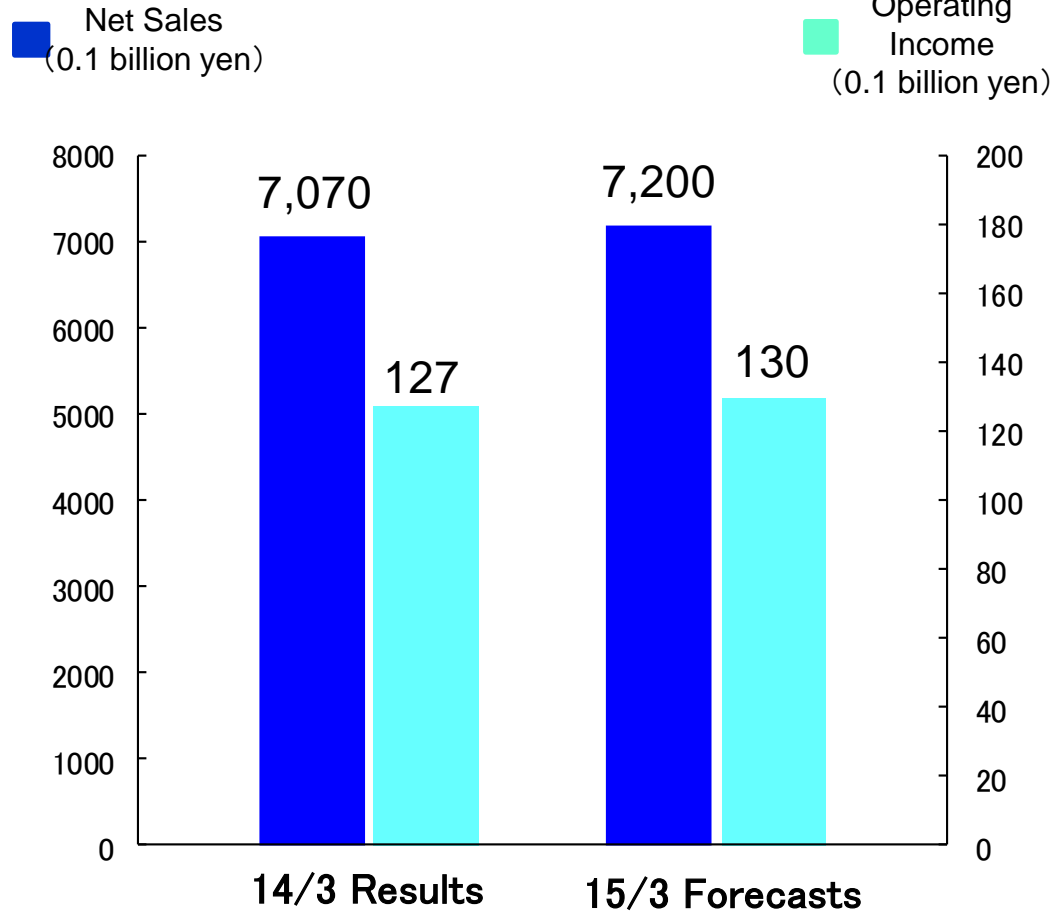
As described in the “Announcement of Results of Own Stock and Public Tender Offer” as of March 4, 2014, we completed a public tender offer for own stock as follows:

- Classes of Acquired Shares : Common Stock
- No. of Acquired Shares : 10,300,200 shares
(13.04% of outstanding shares)
- Acquisition Price per Share : 850 yen
- Duration of Public Tender Offer : From Feb. 3 until March 3, 2014

Forecasts for FY ending March 2015

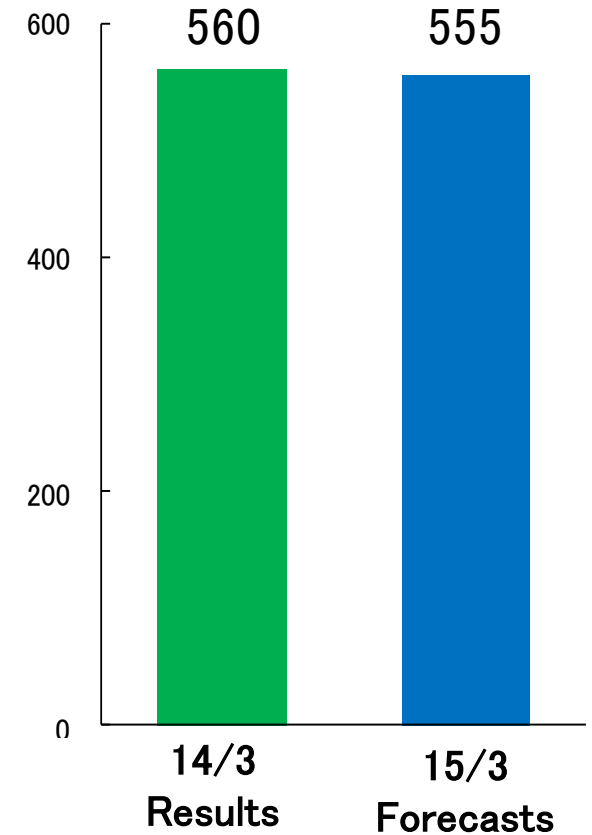
Consolidated Forecasts for all TG Group

Financial Results Comparison



Total No. of Mobile-phones to Sell

(10 thousand units)



※Incl. WiFi models

Consolidated Forecasts for FY ending March 2015

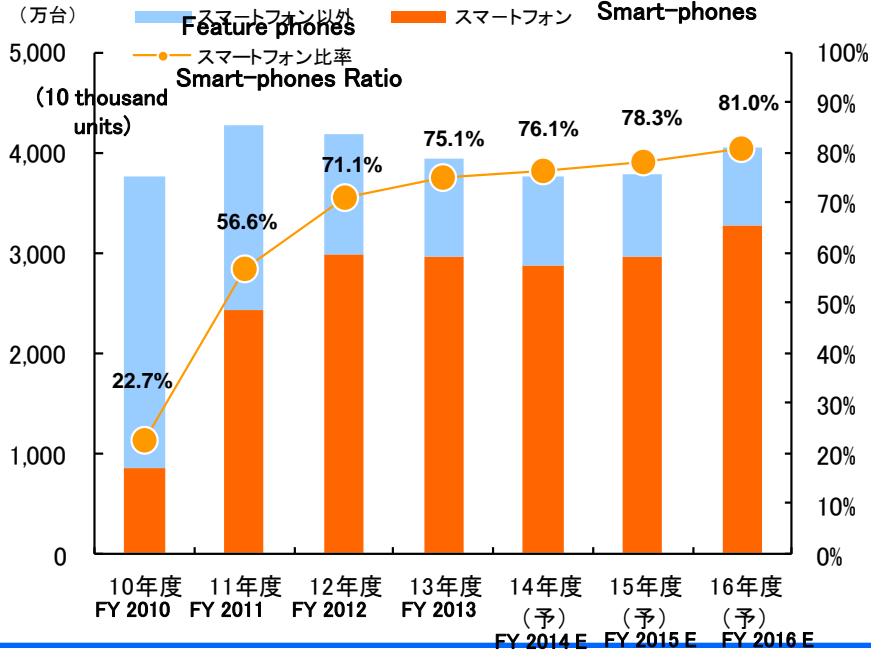
| (Unit : 0.1 billion yen) | 14/3 Full-year Results | 15/3 Full-year Forecasts | Change of Amount | Year-on-Year basis (%) |
|----------------------------|---------------------------|-----------------------------|---------------------|---------------------------|
| Net Sales | 7,070.0 | 7,200.0 | 130.0 | 101.8% |
| Grosss Margin | 633.1 | 650.0 | 16.9 | 102.7% |
| SGA Expenses | 505.5 | 520.0 | 14.5 | 102.9% |
| Operating Income | 127.6 | 130.0 | 2.4 | 101.9% |
| Orginary Income | 126.6 | 128.0 | 1.4 | 101.1% |
| Net Income | 68.3 | 72.5 | 4.2 | 106.1% |
| Net Income/Share (yen) [※] | 86.75 | 105.52 | 18.77 | 121.6% |
| Dividend /Share (yen) [※] | 35.00 | 35.00 | 0.00 | 100.0% |
| Dividend Payout Ratio (%) | 40.3% | 33.2% | - | - |

Consolidated Forecasts for FY ending March 2015 by Segment

| | | 2014/3 Results | 2015/3 Forecasts | |
|--------------------------------------|------------------|----------------|------------------|---------------|
| | | Amount | Amount | YoY basis (%) |
| (Unit: 0.1 billion yen) | | | | |
| Mobile-phone Business | Net Sales | 5,764.3 | 5,710.0 | 99.1% |
| | Operating Income | 87.9 | 86.0 | 97.7% |
| Solution Business | Net Sales | 285.4 | 290.0 | 101.6% |
| | Operating Income | 31.8 | 32.5 | 102.1% |
| Settlement Service Business & Others | Net Sales | 1,020.1 | 1,200.0 | 117.6% |
| | Operating Income | 7.7 | 11.5 | 147.7% |
| Total | Net Sales | 7,070.0 | 7,200.0 | 101.8% |
| | Operating Income | 127.6 | 130.0 | 101.9% |

Mobile-phone Business : Business Environment

Actual volume & forecasts of shipment of Mobile-phones/
Smart-phone in domestic market

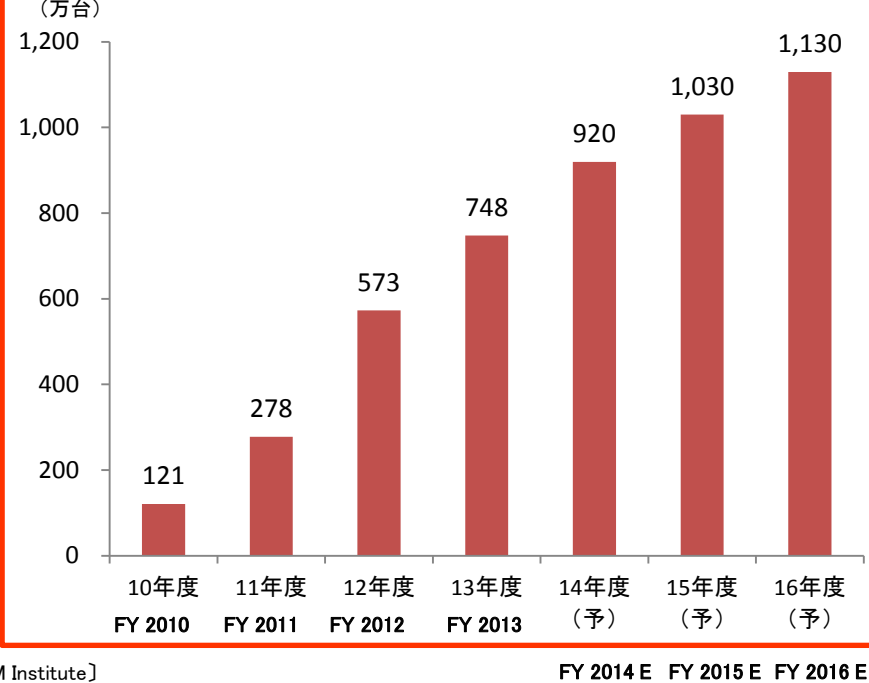


[Source: MM Institute]

Stable Demand for Smart-phones

- Stable market environment will continue due to rise of smart-phones ratio
- Advance & expansion of areas for telecommunication service such as VoLTE

Actual volume & forecasts of shipment of Tablets in domestic market



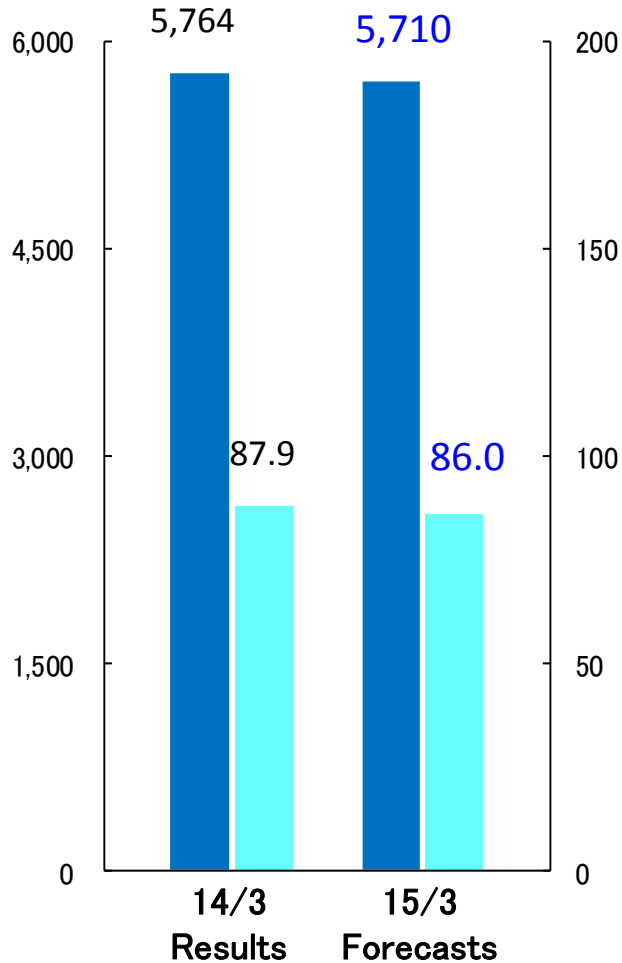
Growth of Tablets gaining Momentum

- Shift of user demand from personal computers to tablets

Mobile-phone Business: Full-year Forecasts

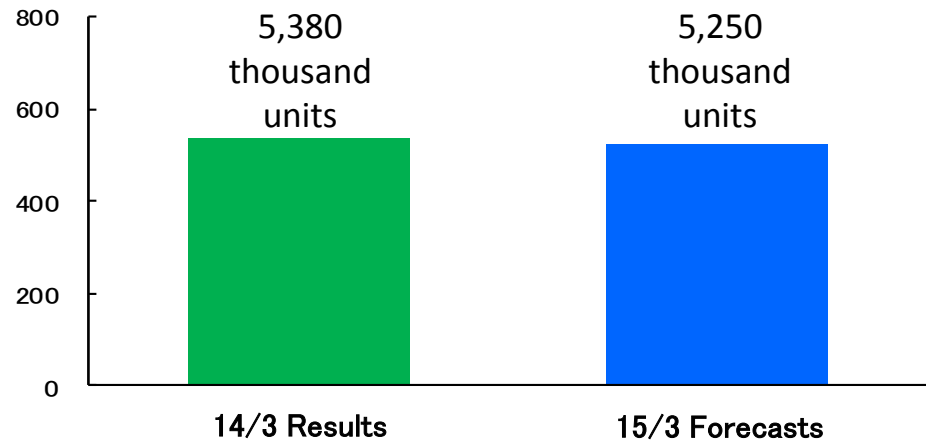
Full-year Forecasts

■ Net Sales (0.1 billion yen)
 ■ Operating Income (0.1 billion yen)



- Strengthening of proposal utilizing tablets
- Sales promotion of products related to smart-phones
- Expansion of real accessory shops as well as EC sites
- Operational efficiency improvement & cost control

No. of mobile-phones sold & to be sold



※Including WiFi models

Mobile-phone Business : Promotion of Accessory Shops



SL Matsumoto PARCO (Nagano)



SL LovLa2 (Niigata)



SL Aeon Mall Natori (Miyagi)



SL Aeon Lake Town (Saitama)



SL ATRE Akihabara (Tokyo)



SL Hiroshima Hondori (Hiroshima)



SL Okaido Chuo (Ehime)



SL Yume Town Mitoyo (Kagawa)



SL Shinsaibashi (Osaka)



SL.style Nishinomiya Gardens (Hyogo)



ABS Harajuku (Tokyo)



ABS Shinjuku (Tokyo)



“Smart Labo Aeon Mall Otaka” opened on April 11

Mobile-phone Business : Promotion of Online Shops

The screenshot shows the Smart Labo Online website. At the top, there's a navigation bar with the logo "Smart Labo" and links for "Smart Labo店舗紹介", "会員登録", "ログイン", and "カート". Below this is a search bar and a category menu with icons for iPhone, iPad, docomo, au, SoftBank, and accessories. The main content area features a large banner for "AGE OF GOOD PEOPLE i5 Wear for iPhone 5 / 5s" with three phone cases in orange, grey, and blue. Below the banner are smaller promotional tiles for "cheers Power Plus DANBOARD version-mini" and "Parrot AR.Drone 2.0". The left sidebar contains a "Ranking" section with a product image, an "OFF COUPON" section, a "Smart Labo Shop" section, and "Featured articles". The main content area has a "News" section with a date "2014/02/01" and a "Recommend" section displaying four products with their prices: a smartphone for ¥3,570, a blue case for ¥2,040, a yellow case for ¥8,990, and a smartphone for ¥8,980. At the bottom, there's a "Recommend Brand" section.

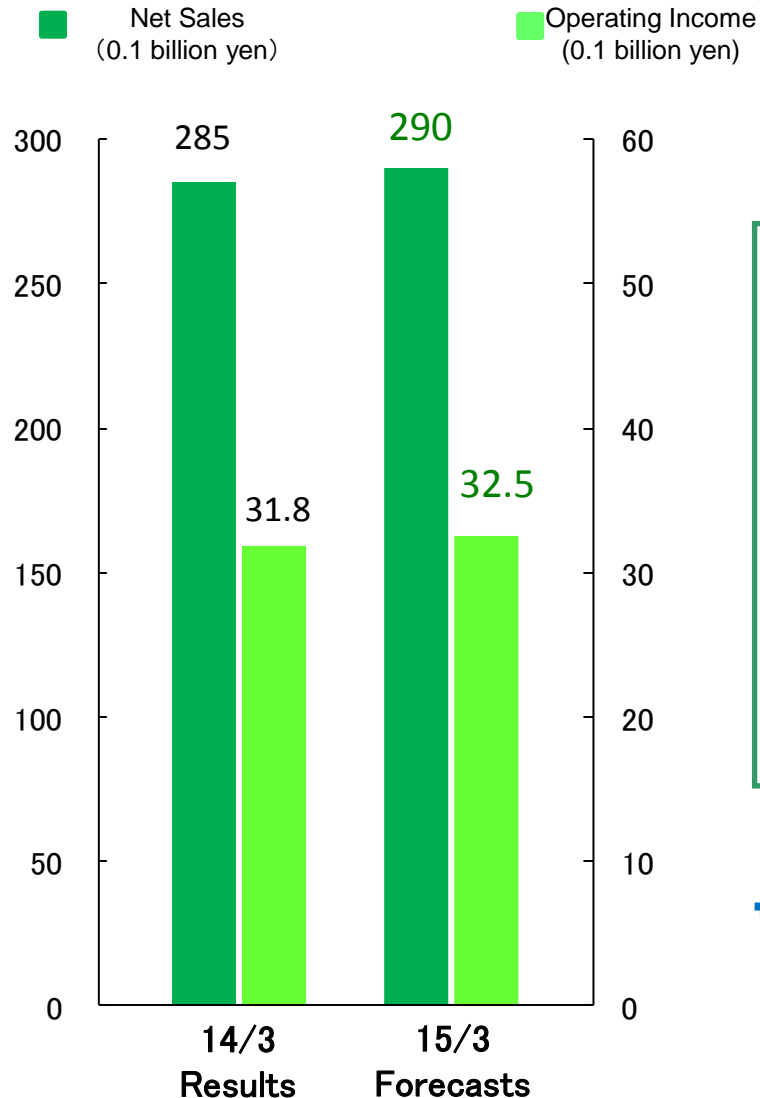
“Smart Labo Online”
Launched on April 1,
as our original EC site

URL: <http://smalabo.com/>

Implementing “Omni
Channel” Strategy

Solution Business: Full-year Forecasts

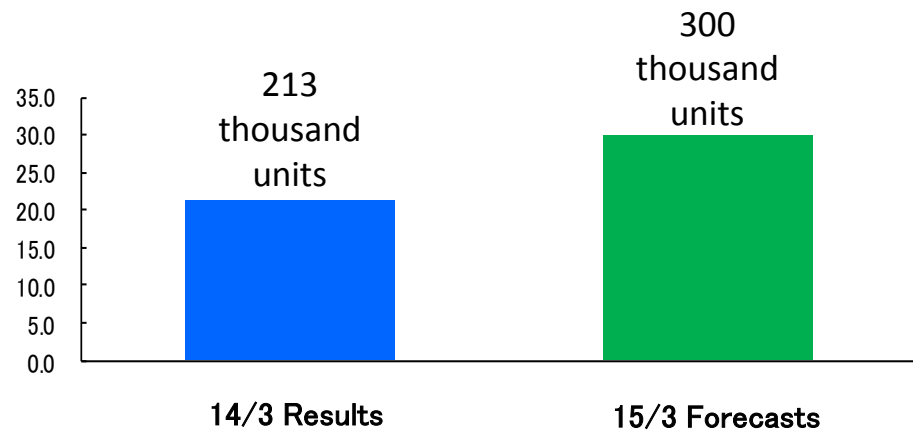
Full-year Forecasts



Mobile-phone Business for Corporate Clients

- Expansion of sales smart-phones & tablets with high-potential demand
- Provision of solution services meeting customer demand

No. of mobile-phones sold & to be sold



※Including WiF model

Fixed-line Business

- Strengthening of sales of optical fiber services such as FTTH
- Operational efficiency improvement of sales channel & structure

Solution Business : Future Development

Proposal of total service including application software

- Collaboration with WAM!NET Japan
 - Promotion of application software development such as Cloud Service
 - Expansion of sales of package solution products including Cloud Service
 - Operational efficiency improvement utilizing GigaCC internally
- Improvement of sales skills & proposal capability through personnel education
- Holding co-seminars with large mobile-terminals manufactures & OS developers



“Japan IT Week” in May 2014

Evolving from Communication-line & Mobile-terminal Distributor into “Service Provider” supporting corporate clients comprehensively and realizing “Smart-phone World”

Solution Business : Synergy Effect with WAM!NET

Provision of Total Solution Service

WAM!NET[®]
Cloud Service

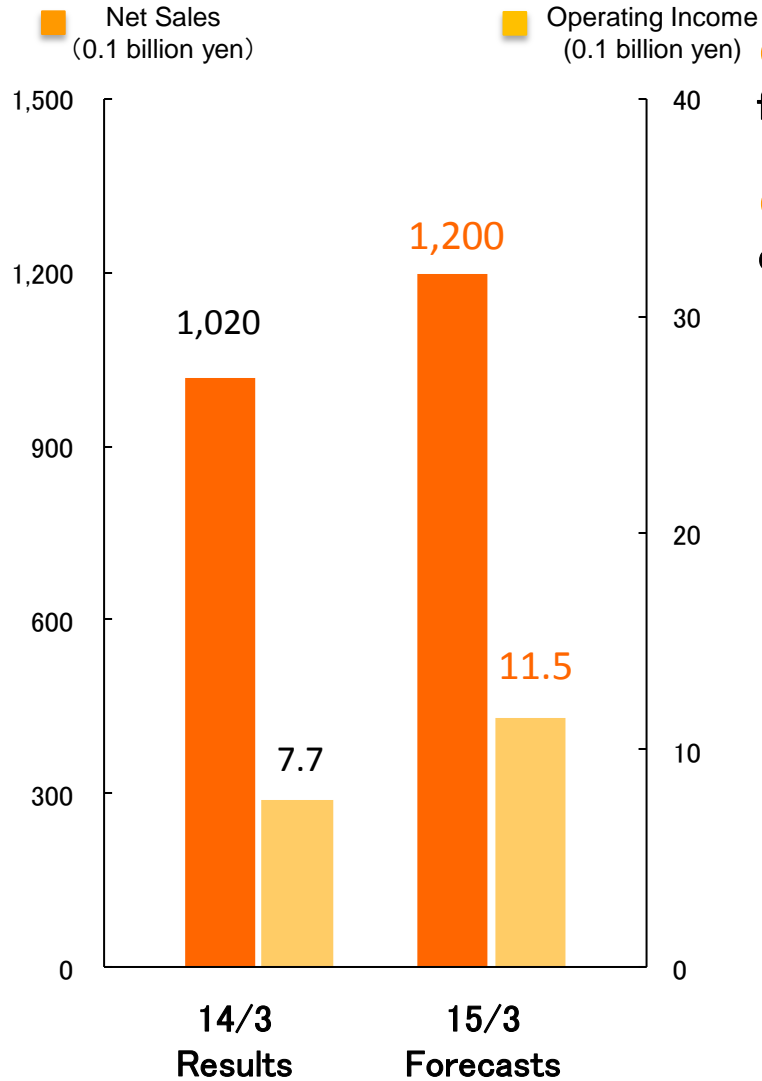
T-GAIA
CHALLENGE TOMORROW
Mobile Solution
Service

- Mutual utilization of customer base of both T-Gaia & WAM!NET
- Package deal of mobile devices & Cloud Service
- Development & sale of our own bundled service & products
- Further strengthening of sales & support capabilities through personnel exchanges between two companies



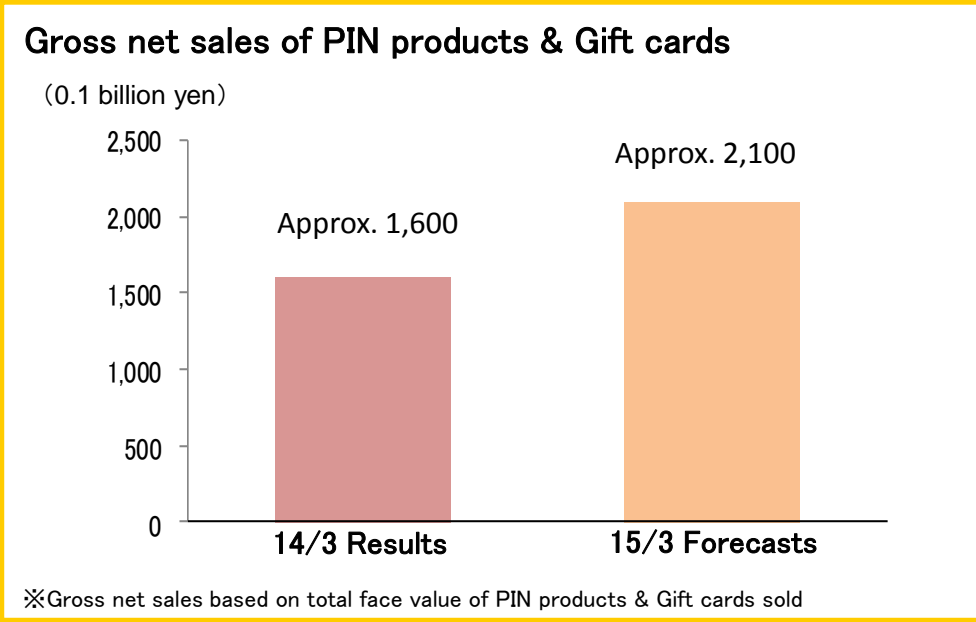
Settlement Service Business & Others : Full-year Forecasts

Full-year Forecasts



Settlement Service Business

- Expansion of sales of Gift cards based on demand shift from PIN products to Gift cards
- Promotion of expansion of sales channel as well as diversification of product line



Settlement Service Business & Others : Overseas Business

Overseas Business

- Mobile-phone sales business
 - Provision of Japanese-style quality service together with launch of 4G service in China
 - Strengthening of support system for communication line mgmt. among Japanese-affiliated companies
 - Promotion of localization
- Settlement service business
 - Start sales of Gift cards in Singapore



(China Unicom Shop operated by T-Gaia Corp.)

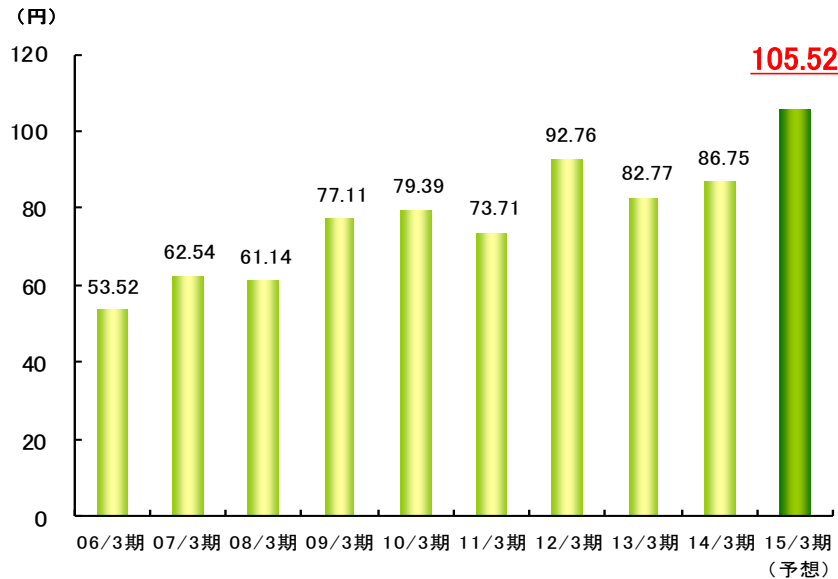


Return to Shareholders: Dividend Policy

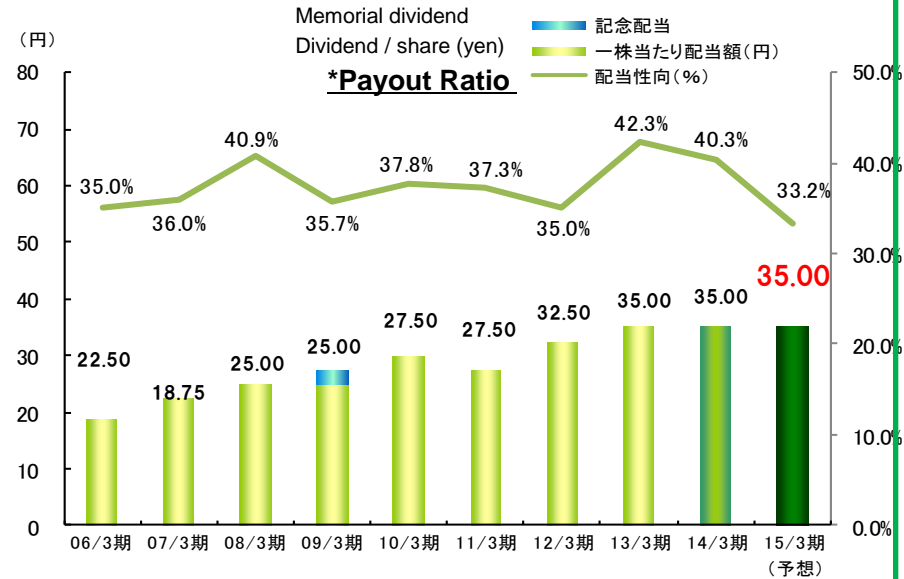
[Basic Dividend Policy]

- Targeting and maintaining Dividend Payout Ratio over 30% Level

☆Net Income per Share



☆Dividend per Share & Payout Ratio



※15/3期(予想)の1株当たり当期純利益および配当性向は14/3期末における発行済株式数(自己株式除く)に基づき算出しております。

< Dividend per Share for FY ending March 2015 (Forecast) >

35.0 yen/share (Interim: 17.5 yen/ Year-end: 17.5 yen)