

**Non-Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2012
(Three Months Ended June 30, 2011) (Based on J-GAAP)**

August 10, 2011

Company name: T-Gaia Corp. Listing: Tokyo Stock Exchange, First Section
 Stock code: 3738 URL: <http://www.t-gaia.co.jp/>
 Representative: Masaaki Kimura, President & CEO
 Contact: Michihiro Matano, Managing Officer & GM of Corporate Planning & Strategy Dept. Tel: +81-3-6409-1010
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 Quarterly earnings supplementary explanatory documents: Yes
 Quarterly earnings presentation: None

(All amounts are rounded down to the nearest million yen)

1. Financial Results for the First Quarter of Fiscal Year Ending March 31, 2012 (April 1, 2011 – June 30, 2011)

(1) Results of operations (three months) (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY 2012	155,516	12.0	3,021	(7.2)	3,005	(6.9)	1,630	6.2
1Q FY 2011	138,812	2.6	3,254	(21.5)	3,229	(20.9)	1,534	(32.4)

	Net income per share		Diluted net income per share	
	Yen		Yen	
1Q FY 2012	3,651.41		3,649.26	
1Q FY 2011	2,995.33		2,993.68	

(2) Financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
1Q FY 2012	136,823		23,136		16.9	
FY 2011	153,808		35,640		23.2	

Reference: Shareholders' equity (million yen): 1Q FY 2012: 23,136 FY 2011: 35,640

2. Dividends

	Annual dividends				
	1Q-end	Interim	3Q-end	Yearend	Annual
	Yen				
FY 2011	—	2,750.00	—	2,750.00	5,500.00
FY 2012	—				
FY 2012 (forecasts)		3,250.00	—	3,250.00	6,500.00

Note: Revisions to the dividend forecast in the current quarter: None

3. Forecasts for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	315,000	9.8	6,350	(6.8)	6,250	(7.4)	3,350	(3.8)	7,949.33
Full year	660,000	10.9	14,650	0.9	14,400	0.0	7,850	3.9	18,627.54

Note: Revisions to the financial forecast in the current quarter: None

4. Others

(1) Application of special accounting treatment in the preparation of quarterly financial statements: None

(2) Changes in accounting principles, estimates and restatement

1) Changes in accounting principles caused by revision of accounting standards: None

2) Changes in accounting principles other than those mentioned above: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of shares issued and outstanding (shares of common stock)

1) Number of shares outstanding
(including treasury stock) at end of
period

1Q FY 2012	512,419 shares	FY 2011	512,419 shares
1Q FY 2012	91,000 shares	FY 2011	—
1Q FY 2012	446,419 shares	1Q FY 2011	512,395 shares

2) Number of treasury stock at end of
period

3) Average number of shares
outstanding during the period

* Implementation of quarterly review procedures

This summary of quarterly financial statements is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this summary of quarterly financial statements, the review procedures of quarterly financial statements pursuant to the FIEA were completed.

* Cautionary statement with respect to forward-looking statements

The forward-looking statements such as the forecasts for the business performance described in this document are based on the judgments made by the Company in accordance with information currently available that is rational. For this reason, actual results may differ from these forecasts due to a number of factors, including but not limited to the operating environment. For the underlying assumptions and usage of earnings projections refer to the disclaimer in “Qualitative information concerning business performance forecast” on page 2 of the Attachment to the summary of quarterly financial statement.

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1. Qualitative Information Concerning the First Quarter Financial Results

(1) Qualitative information concerning operating results

The Japanese economy in the period under review (April – June 2011) remained overshadowed by uncertainty, despite a nascent recovery in emerging economies centered on Asia. Among the main negatives were the ill-effects on industrial production and capital expenditure from the electric power shortages caused by the Great East Japan Earthquake and the Fukushima nuclear accident, weak personal consumption, continuing yen strength, and unabated pressure on employment.

In the market for mobile phone handsets, the Company's core business field, sales were strong centered on smart phones, which continued to enjoy robust demand.

In this operating environment, in the Mobile Telecommunications Business, the Company worked to raise sales of smart phones and terminals for data communication, alongside efforts to capture the demand for new-standard handsets generated by the changeover from old-standard handsets, for which service is scheduled to be terminated. As a result, unit sales rose compared with the year earlier.

Nonetheless, operating income decreased, which was mainly due to higher sales of budget-type handsets and non-voice products, widespread discounting amid intense competition, and increased cost from strengthening the Company's sales frameworks in order to boost sales of smart phones.

In the Network Communications Business, sales and operating income expanded thanks to steps taken to reinforce the agency network and promoting alliances with other companies, and due to sales of peripheral products.

In the Prepaid Settlement Services Business and Other Businesses, sales revenue and operating income rose on buoyant electronic-money based merchandise sales using PIN (Personal Identification Number)-based merchandise systems at major convenience store operators.

As a result, for the period under review (April – June 2011) sales revenue increased 12.0 percent on the year to 155,516 million yen, but operating income declined 7.2 percent to 3,021 million yen and ordinary income fell 6.9 percent to 3,005 million yen. Net income for the period totaled 1,630 million yen (+6.2% on the year). This increase is mainly due to the absence of provisions for asset retirement obligations in the period under review (April – June 2011), compared with the same period a year earlier when the first-time application of the Accounting Standard for Asset Retirement Obligations caused a special loss of 400 million yen.

Results by business segment are described below.

(Mobile Telecommunications Business)

In the period under review (April – June 2011), smart phones and data cards, where demand has been strong thanks to a stream of new products, as well as digital photo frames boosted sales of terminals for data communication. At the same time, efforts were made to capture the demand for new-standard handsets generated by the changeover from old-standard handsets, for which service is scheduled to be terminated. Additionally, steps to further strengthen the corporate business lifted smart phones unit sales 11.6% to 1.44 million units, taking the weighting of smart phone unit sales to over 30%. As a result, sales revenue increased 7.7% on the year to 125,155 million yen. Nonetheless, operating income fell 19.3% on the year to 1,949 million yen, which was mainly due to higher sales of budget-type handsets and non-voice products, widespread discounting amid intense competition, and higher costs from strengthening sales frameworks in order to boost sales of smart phones, where demand has been gaining full momentum.

(Network Communications Business)

In the period under review (April – June 2011), sales increased 3.4% on the year to 5,821 million yen with operating income rising 23.9% to 787 million yen, thanks to ongoing efforts to strengthen the agency network and to promote alliances with other companies, as well as sales and marketing measures to promote sales of peripheral products.

(Prepaid Settlement Services Business and Other Business)

In the period under review (April – June 2011), the major convenience store operators posted strong figures for merchandise sales settled with electronic money through PIN-based merchandise sales systems. This was due to consumers' growing familiarity with this settlement method and its increased use for internet-based merchandise purchases and contents purchases related to SNS (Social Networking Services). As a result, sales revenue increased 44.5 percent on the year to 24,539 million yen while operating income rose 40.0 percent to 284 million yen.

(2) Qualitative information concerning financial position

(Assets)

Current assets fell 12.2 percent compared with the end of the prior fiscal year to 119,479 million yen. This was due to products which increased by 3,969 million yen, and accounts receivable-trade and other accounts receivable which declined 17,560 million yen and 2,739 million yen, respectively.

Fixed assets fell 2.3 percent compared with the end of the prior fiscal year to 17,344 million yen. This was due to goodwill which declined 379 million yen.

As a result, compared with the end of the prior fiscal year, total assets fell 11.0 percent to 136,823 million yen.

(Liabilities)

Current liabilities fell 14.2 percent compared with the end of the prior fiscal year to 97,995 million yen. This was due to accounts payable-trade and short-term loans payable which declined 6,954 million yen and 2,700 million yen, respectively, as well as other accounts payable and income taxes payable which declined 3,453 million yen and 2,659 million yen, respectively.

Long-term liabilities rose 299.6 percent compared with the end of the prior fiscal year to 15,691 million yen. This was due to long-term loans payable which increased by 11,776 million yen.

Total liabilities fell 3.8 percent compared with the end of the prior fiscal year to 113,687 million yen.

(Net assets)

Net assets fell 35.1 percent compared with the end of the prior fiscal year to 23,136 million yen. This was due to 1,630 million yen in net income and 1,409 million yen in dividends of surplus as well as acquisition of own stock which caused losses of 12,740 million yen.

(3) Qualitative information concerning financial forecasts

The earning estimates for first half (April– September 2011) and full-year, released on May 12, 2011, remain unchanged.

Three months (April– June 2011) sales represent 23.6 percent of the full-year estimate released on May 12, 2011, with percentages for operating income, ordinary income, and net income at 20.6 percent, 20.9 percent, and 20.8 percent, respectively.

2. Summary (Other) Information

(1) Application of accounting procedures specific to creation of quarterly financial statement

Not applicable.

(2) Change of accounting policies; change and/or restatement of accounting estimates

Not applicable.

3. Summary of Material Matters Concerning the Going-Concern Assumption

Not applicable.

3. Quarterly Financial Statements

(1) Quarterly balance sheets

	FY 2011 (As of March 31, 2011)	1Q FY 2012 (As of June 30, 2011)
(Millions of yen)		
Assets		
Current assets		
Cash and deposits	1,304	1,789
Accounts receivable – trade	76,291	58,730
Products	37,690	41,660
Inventories	101	93
Advanced money	1	4
Prepayment expenses	487	518
Deferred tax assets	1,329	730
Other accounts receivable	18,576	15,836
Other current assets	285	127
Allowance for doubtful accounts	(14)	(12)
Total current assets	136,055	119,479
Fixed assets		
Tangible fixed assets	3,151	2,970
Intangible assets		
Goodwill	7,305	6,925
Telephone rights	16	16
Land leasehold	26	26
Software	624	634
Total intangible assets	7,973	7,603
Investments and other assets		
Investment securities	332	357
Investments in affiliates	200	200
Long-term loans receivable	47	40
Rehabilitation claim	41	42
Long-term prepaid expenses	19	16
Deferred tax assets	1,389	1,432
Leasehold deposits	4,045	4,113
Construction aid	325	309
Others	275	309
Allowance for doubtful accounts	(49)	(50)
Total investments and other assets	6,628	6,770
Total fixed assets	17,752	17,344
Total assets	153,808	136,823

	(Millions of yen)	
	FY 2011 (As of March 31, 2011)	1Q FY 2012 (As of June 30, 2011)
Liabilities		
Current liabilities		
Accounts payable – trade	65,081	58,126
Short-term borrowings	15,600	12,900
Long-term borrowings payable within one year	3,352	3,442
Accounts payable – other	24,793	21,340
Accrued expenses	184	102
Unpaid taxes	3,501	842
Deposits received	135	486
Advance received profit	39	38
Reserve of bonuses	1,271	528
Allowance for early subscription cancellations	150	99
Provisions for loss from natural disaster	129	78
Other current liabilities	1	10
Total current liabilities	114,240	97,995
Long-term liabilities		
Long-term borrowings	1,740	13,516
Long-term accounts payable	20	20
Accrued employees' retirement benefits	438	437
Asset Retirement Obligations	1,016	1,021
Others	711	696
Total long-term liabilities	3,927	15,691
Total liabilities	118,167	113,687
Net Assets		
Shareholders' equity		
Capital stock	3,098	3,098
Capital surplus	5,585	5,585
Retained earnings	26,898	27,119
Acquisition of own stock	—	(12,740)
Total shareholders' equity	35,583	23,064
Valuation and translation adjustments		
Net unrealized holding gain on securities	57	71
Total valuation and translation adjustments	57	71
Total net assets	35,640	23,136
Total Liabilities and Net Assets	153,808	136,823

(2) Statements of income
(First quarter period)

	(Millions of yen)	
	1Q FY 2011 (from April 1, 2010 to June 30, 2010)	1Q FY 2012 (from April 1, 2011 to June 30, 2011)
Net Sales	138,812	155,516
Cost of Sales	124,238	140,761
Gross Profit	14,574	14,754
Selling, General and Administrative Expenses	11,319	11,733
Operating Income	3,254	3,021
Non-operating Income		
Interest income	1	0
Dividend income	1	2
Rent income	1	0
Insurance reimbursement	16	19
Others	7	5
Total non-operating income	27	30
Non-operating Expenses		
Interest expenses	51	44
Others	0	1
Total non-operating expenses	52	45
Ordinary Income	3,229	3,005
Extraordinary Gains		
Reversal of allowance for doubtful accounts	29	—
Gain on sales of fixed assets	11	—
Income from relief money	—	9
Others	—	1
Total extraordinary gains	41	10
Extraordinary Losses		
Loss on removal of fixed assets	5	12
Loss on sales of fixed assets	1	—
Change amount attributable to the application of the accounting standard for asset retirement obligations	400	—
Total extraordinary losses	407	12
Income Before Income Taxes	2,863	3,004
Income Taxes – Current	831	827
Income Taxes – Deferred	497	546
Total Income Taxes	1,328	1,374
Net Income	1,534	1,630

(3) Notes on going concern assumption

Not applicable.

(4) Segment information

(Segment information)

I. 1Q FY 2011 (from April 1, 2010 to June 30, 2010)

1. Information by reportable segment on sales and income/loss amounts

(Millions of yen)

	Reportable Segment			Total
	Mobile Telecommunications Business	Network Communications Business	Prepaid Settlement Services Business and Other Business	
Net Sales	116,205	5,627	16,980	138,812
Segment Income (Operating Income)	2,415	635	202	3,254

2. Total income or loss of reportable segments, difference to income or loss reported in the statement of income for the period under review, and main items responsible for the difference
(Matters concerning difference adjustment)

The income of reportable segments is consistent with the operating income reported in the statement of income.

3. Information by reportable segment on impairment losses on fixed assets or information on goodwill, etc.

Not applicable.

II. 1Q FY 2012 (from April 1, 2011 to June 30, 2011)

1. Information by reportable segment on sales and income/loss amounts

(Millions of yen)

	Reportable Segment			Total
	Mobile Telecommunications Business	Network Communications Business	Prepaid Settlement Services Business and Other Business	
Net Sales	125,155	5,821	24,539	155,516
Segment Income (Operating Income)	1,949	787	284	3,021

2. Total income or loss of reportable segments, difference to income or loss reported in the statement of income for the period under review, and main items responsible for the difference
(Matters concerning difference adjustment)

The income of reportable segments is consistent with the operating income reported in the statement of income.

3. Information by reportable segment on impairment losses on fixed assets or information on goodwill, etc.

Not applicable.

(5) Notes on significant changes in shareholders' equity

Acquisition of own stock

At a meeting of the board of directors convened on February 28, 2011, an acquisition of own stock by the Company was resolved on in accordance with Article 156, Paragraph 1, of the Companies Act applicable mutatis mutandis pursuant to the stipulations of Article 165, Paragraph 3, of the Companies Act, and pursuant to the specific method of acquisition of own stock stipulated in the Articles of Incorporation of the Company. Based on the said resolution, in the period under review, through a tender offer the Company acquired 91,000 shares of common stock of the Company at a total cost of 12,740 million yen.

(6) Significant Subsequent events

Not applicable.