

**Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2016
(Three Months Ended June 30, 2015) (Based on J-GAAP)**

August 6, 2015

Company name: T-Gaia Corp. Listing: Tokyo Stock Exchange, First Section
 Stock code: 3738 URL: <http://www.t-gaia.co.jp/>
 Representative: Toshifumi Shibuya, President & CEO
 Contact: Michihiro Matano, General Manager, Corporate Planning & Strategy Dept. Tel: +81-3-6409-1010
 Scheduled date of filing Securities Report: August 7, 2015
 Financial results supplementary explanatory documents: Yes
 Financial results presentation: No

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

1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2016 (April 1, 2015 – June 30, 2015)

(1) Consolidated results of operations (nine 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 2016	135,936	7.1	3,062	21.0	3,084	21.9	1,838	38.5
1Q FY 2015	126,959	(24.8)	2,531	(28.5)	2,531	(28.1)	1,328	(33.6)

(Note) Comprehensive income (million yen): 1Q FY 2016:1,859 40.1% 1Q FY 2015:1,327 (33.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY 2015	26.73	—
1Q FY 2014	19.32	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q FY 2016	76,694	29,724	38.6
FY 2015	90,080	29,286	32.3

Reference: Shareholders' equity (million yen): 1Q FY 2016: 29,572 FY 2015: 29,104

2. Dividends

	Annual dividends				
	1Q-end	Interim	3Q-end	Yearend	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2015	—	17.50	—	20.00	37.50
FY 2016	—	—	—	—	—
FY 2016 (forecasts)	—	20.50	—	20.50	41.00

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

3. Consolidated forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(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
Full year	655,000	2.0	15,000	4.8	14,900	5.0	9,000	16.2	130.86

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

Notes

(1) Changes in significant subsidiaries during the consolidated period (three months) under review

(changes in subsidiaries accompanying change in the scope of consolidation): None

New: None (Company name:)

Excluded: None (Company name:)

(2) Changes in accounting procedures specific to creation of quarterly consolidated financial statements: None

(3) Changes in accounting principles, estimates and restatement

1) Changes in accounting principles caused by revision of accounting standards: Yes

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

3) Changes in accounting estimates: None

4) Restatement: None

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

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

1Q FY 2016	79,074,000 shares	FY 2015	79,074,000 shares
1Q FY 2016	10,300,336 shares	FY 2015	10,300,336 shares
1Q FY 2016	68,773,664 shares	1Q FY 2015	68,721,000 shares

2) Number of treasury stock at end of period

3) Average number of shares outstanding during the period (three months)

*** Implementation of quarterly review procedures**

The consolidated financial statement is not subject to audit procedures pursuant to the Financial Instruments and Exchange Act.

At the time of disclosure of the consolidated financial statement, the audit procedures of consolidated financial statements pursuant to the FIEA are already completed.

*** Cautionary statement with respect to forward-looking statements**

(Disclaimer on forward-looking statements)

These materials contain forward-looking information including earnings projections based on information currently available to the Company and certain assumptions considered reasonable in the judgment of the Company. Nothing contained in these materials is meant to suggest that the Company promises to attain the said projections. Moreover, due to various factors, actual results may materially differ from projections. Concerning matters to be observed regarding the assumptions underlying earnings projections and concerning the use of earnings projections, please refer to “(3) Qualitative information concerning consolidated business performance forecast” under “1. Qualitative Information Concerning the First Quarter Financial Results” on page 2 of the Attachment to the summary of quarterly financial statement.

* Financial results supplementary explanatory documents will be posted on the English site for Investors of T-Gaia Corp. as of August 6, 2015.

Table of contents of the Attachment

1. Qualitative Information Concerning the First Quarter Financial Results	2
(1) Explanation of operating performance.....	2
(2) Explanation of financial position	3
(3) Explanation of forward-looking information including the consolidated financial forecasts	3
2. Summary (Notes) Information	3
Change of accounting policies; change and/or restatement of accounting estimates.....	3
3. Quarterly Consolidated Financial Statements	4
(1) Quarterly consolidated balance sheets	4
(2) Quarterly consolidated statements of income and Quarterly consolidated statements of comprehensive income	5
Quarterly consolidated statements of income Consolidated first quarter period	5
Quarterly consolidated statements of comprehensive income Consolidated first quarter period	5
(3) Notes to quarterly consolidated financial statements	6
(Notes on the going-concern assumption)	6
(Notes on significant changes in shareholders' equity)	6
(Segment information)	6

1. Qualitative Information Concerning the First Quarter Financial Results

(1) Explanation of operating performance

The Japanese economy in the period under review (from April to June 2015), backed by the government's fiscal and economic policy measures, experienced a moderately-paced recovery attended by improved corporate profits, employment, and household incomes, along with signs of rebounding personal consumption. Overseas, uncertain conditions continued, such as financial instability in Europe in the wake of the Greek debt problem as well as concerns over the deceleration in China's economy.

In the market for mobile phone handset sales, which forms the business mainstay of the Group (the Company and its consolidated subsidiaries), sales developed favorably mainly thanks to growing demand for tablets and the introduction of price-discounted services offered in a set with optical communication lines.

In this operating environment, Group sales of mobile phone handsets, etc., totaled 1.03 million units, marking an increase over the year-earlier result, with the percentage of smartphones a little over 70% of the total.

In the Mobile Telecommunications Business, in addition to strengthening propositions of accessories and other smartphone-related merchandise as well as tablets, structural reform efforts such as efficient store management, etc., continued from last fiscal year.

In the Solutions Business, sales of solution services to corporate customers increased as the result of proactive support provided corporations in the introduction of smart devices. Additionally, the division posted robust sales of fixed line-related merchandise.

In the Settlement Services Business and Other Business, sales of gift cards performed favorably and income at overseas operations improved.

As a result, for the period under review, net sales totaled 135,936 million yen (+7.1% compared with the year-earlier period), with operating income of 3,062 million yen (+21.0% compared with the year-earlier period), ordinary income of 3,084 million yen (+21.9% compared with the year-earlier period), and net income attributable to shareholders of the parent of 1,838 million yen (+38.5% compared with the year-earlier period).

Results by business segment are described below.

(Mobile Telecommunications Business)

In the period under review, sales rose to 108,941 million yen (+10.2% compared with the year-earlier period) due to factors such as the demand growth for tablets and the introduction of price-discounted services in a set with optical communication lines, resulting in higher unit sales centered on smartphones and tablets.

Earnings posted operating income of 1,884 million yen (+8.1% compared with the year-earlier period). In order to make the life of the smartphone customer more satisfying and fulfilling, sales staff training and development were further enhanced, combined with strengthened sales of tablet propositions and smartphone related merchandise. Additionally, structural reform measures continued such as strategic investments in stores and company-level measures to strengthen business efficiency.

(Solutions Business)

In the period under review, sales rose to 7,777 million yen (+14.9% compared with the year-earlier period) with operating income of 868 million yen (+23.7% compared with the year-earlier period). Unit sales increased due to proactive propositions to corporate users for the introduction and usage methods of smartphones and tablets.

Additionally, comprehensive mobile solution offerings including kitting services and help desk services resulted in strong sales of support services, as did sales of fixed line-related merchandise.

(Settlement Services Business and Other Business)

In the period under review, sales decreased to 19,216 million yen (-9.8% compared with the year-earlier period), reflecting the continuing shift in demand from electronic-money enabled merchandise (with face value amounts equaling sales revenue) to gift cards (with commission income as the sole revenue source).

Earnings marked operating income of 309 million yen (+264.0% compared with the year-earlier period) from favorable gift card sales due to further sales route expansions as well as enhanced earnings at overseas operations in China and Singapore.

(2) Explanation of financial position

(Assets)

Consolidated current assets at the end of the period under review were 62,175 million yen, which was 12,853 million yen lower than at the end of the previous fiscal year. This was mainly due to lower accounts receivable and products, which respectively decreased 9,909 million yen and 2,395 million yen. Non-current assets were 14,519 million yen, which was 531 million yen lower than at the end of the previous fiscal year. This was mainly due to a 430 million yen decline in goodwill and a 71 million yen decrease in leasehold deposits.

As a result, consolidated total assets posted 76,694 million yen, which was 13,385 million yen lower than at the end of the previous fiscal year.

(Liabilities)

Consolidated current liabilities at the end of the period under review were 41,269 million yen, which was 12,973 million yen lower than at the end of the previous fiscal year. This was mainly due to lower trade accounts payable, short-term borrowings, other accounts payable, and unpaid taxes, which respectively decreased 4,045 million yen, 3,676 million yen, 1,877 million yen, and 2,460 million yen. Non-current liabilities were 5,700 million yen, which was 849 million yen lower than at the end of the previous fiscal year. This was mainly due to an 875 million yen decrease in long-term borrowings.

As a result, consolidated total liabilities posted 46,970 million yen, which was 13,823 million yen lower than at the end of the previous fiscal year.

(Net assets)

Consolidated net assets at the end of the period under review were 29,724 million yen, which was 437 million yen higher than at the end of the previous fiscal year. This was mainly due to an increase in retained earnings from 1,838 million yen in net income attributable to shareholders of the parent for the quarter and a 1,375 million yen withdrawal from retained earnings for dividend payments.

(3) Explanation of forward-looking information including the consolidated financial forecasts

The earnings estimates for the full year to March 2016 released on May 14, 2015, remain intact.

Three months (April - June 2015) sales represent 20.8 percent of the full-year estimate released on May 14, 2015, with percentages for operating income, ordinary income, and net income attributable to shareholders of the parent at 20.4 percent, 20.7 percent, and 20.4 percent, respectively.

2. Summary (Notes) Information

Change of accounting policies; change and/or restatement of accounting estimates

Change of accounting policies

(Application of the Accounting Standard for Business Combinations, etc.)

Beginning with the period under review, the Company applies the “Revised Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21; September 13, 2013; in the following, “Accounting Standard for Business Combinations”); the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22; September 13, 2013; in the following, “Accounting Standard for Consolidated Financial Statements”); and the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7; September 13, 2013; in the following, “Accounting Standard for Business Divestitures”), such that the Company recognizes as capital surplus the difference resulting from variation in equity held by the Company in subsidiaries over which the Company continues to exercise control. Moreover, the Company has changed to the accounting recognition of acquisition related cost as the cost of the fiscal year in which the cost accrued. Furthermore, for business combinations implemented since the beginning of the period under review, the Company has changed its accounting method to the effect that a correction of the allocable amount of the acquisition cost finalized after provisional accounting treatment is reflected on the quarterly consolidated financial statement whose period includes the date of the business combination. Additionally, the Company has changed the presentation of net income for the quarter, etc., and has changed the method of presentation from minority interest to non-controlling interest. In order to reflect the change in the method of presentation, reclassifications were made on the quarterly consolidated financial statement and the full-year consolidated financial statement for the respective year-earlier periods.

With regard to the application of the Accounting Standard for Business Combinations, etc., the Company observes the transitional treatment stipulated in the Accounting Standard for Business Combinations No. 58 - 2 (4), Accounting Standard for Consolidated Financial Statements No. 44 - 5 (4), and Accounting Standard for Business Divestitures No. 57 - 4 (4), and will continue the application thereof beginning with the start of the subject first-quarter accounting period.

None of the above has an effect on profits and losses.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	FY 2015 (As of March 31, 2015)	1Q FY 2016 (As of June 30, 2015)
Assets		
Current assets		
Cash and deposits	2,085	1,759
Accounts receivable – trade	22,622	12,712
Products	37,612	35,216
Inventories	71	58
Other accounts receivable	10,621	10,843
Other current assets	2,029	1,590
Allowance for doubtful accounts	(13)	(4)
Total current assets	75,029	62,175
Fixed assets		
Tangible fixed assets	3,148	3,154
Intangible assets		
Goodwill	3,701	3,271
Others	1,325	1,292
Total intangible assets	5,027	4,564
Investments and other assets		
Leasehold deposits	4,313	4,242
Others	2,566	2,563
Allowance for doubtful accounts	(5)	(4)
Total investments and other assets	6,874	6,800
Total fixed assets	15,051	14,519
Total assets	90,080	76,694
Liabilities		
Current liabilities		
Accounts payable – trade	10,350	6,260
Short-term borrowings	14,408	10,732
Long-term borrowings payable within one year	13,768	13,500
Accounts payable – other	10,313	8,435
Unpaid taxes	3,133	672
Reserve of bonuses	1,678	600
Allowance for early subscription cancellations	172	180
Others	465	889
Total current liabilities	54,243	41,269
Long-term liabilities		
Long-term borrowings	4,375	3,500
Retirement benefit liabilities	400	393
Asset Retirement Obligations	1,234	1,268
Others	540	539
Total long-term liabilities	6,550	5,700
Total liabilities	60,794	46,970
Net Assets		
Shareholders' equity		
Capital stock	3,154	3,154
Capital surplus	5,640	5,640
Retained earnings	28,820	29,284
Acquisition of own stock	(8,755)	(8,755)
Total shareholders' equity	28,860	29,323
Accumulated other comprehensive income		
Net unrealized holding gain on securities	93	99
Foreign currency translation adjustment	150	150
Total accumulated other comprehensive income	244	249
Non-controlling interests	181	151
Total net assets	29,286	29,724
Total Liabilities and Net Assets	90,080	76,694

(2) Quarterly consolidated statements of income and Quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)
(Consolidated first quarter period)

(Millions of yen)

	1Q FY2015 (from April 1, 2014 to June 30, 2014)	1Q FY2016 (from April 1, 2015 to June 30, 2015)
Net Sales	126,959	135,936
Cost of Sales	112,780	121,398
Gross Profit	14,179	14,537
Selling, General and Administrative Expenses	11,647	11,475
Operating Income	2,531	3,062
Non-operating Income		
Interest income	0	0
Dividend income	3	2
Insurance income	17	24
Income from indemnity	23	0
Others	13	31
Total non-operating income	58	59
Non-operating Expenses		
Interest expenses	53	35
Others	4	1
Total non-operating expenses	58	37
Ordinary Income	2,531	3,084
Extraordinary Gains		
Gain on sales of fixed assets	0	—
Gain from disposal of golf club membership	6	—
Total extraordinary gains	6	—
Extraordinary Losses		
Loss on removal of fixed assets	8	11
Total extraordinary losses	8	11
Net income before income taxes	2,529	3,072
Income Taxes – Current	847	678
Income Taxes – Deferred	340	539
Total Income Taxes	1,188	1,217
Net Income for the Period	1,341	1,855
Net Income Attributable to Non-controlling Interests	13	16
Net Income Attributable to Shareholders of the Parent	1,328	1,838

(Quarterly consolidated statements of comprehensive income)
(Consolidated first quarter period)

(Millions of yen)

	1Q FY2015 (from April 1, 2014 to June 30, 2014)	1Q FY2016 (from April 1, 2015 to June 30, 2015)
Net Income for the Period	1,341	1,855
Other Comprehensive Income		
Net unrealized holding gain on securities	5	5
Foreign currency translation adjustment	(18)	(0)
Total other comprehensive income	(13)	4
Quarterly Comprehensive Income	1,327	1,859
(Breakdown)		
Comprehensive income attributable to shareholders of the parent	1,314	1,843
Comprehensive income attributable to non-controlling interests	13	16

(3) Notes to quarterly consolidated financial statements

(Notes on the going-concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Segment information)

Segment Information

I. 1Q FY 2015 (from April 1, 2014 to June 30, 2014)

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

(Millions of yen)

	Mobile Telecommunications Business	Solutions Business	Settlement Services Business and Other Business	Total
Net Sales	98,890	6,770	21,298	126,959
Segment Income (Operating Income)	1,744	702	84	2,531

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

Total income of reportable segments is consistent with operating income as stated in the quarterly consolidated statement of income.

3. Matters concerning the impairment loss from fixed assets or goodwill of reportable segments

Not applicable.

II. 1Q FY 2016 (from April 1, 2015 to June 30, 2015)

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

(Millions of yen)

	Mobile Telecommunications Business	Solutions Business	Settlement Services Business and Other Business	Total
Net Sales	108,941	7,777	19,216	135,936
Segment Income (Operating Income)	1,884	868	309	3,062

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

Total income of reportable segments is consistent with operating income as stated in the quarterly consolidated statement of income.

3. Matters concerning the impairment loss from fixed assets or goodwill of reportable segments

Not applicable.