

November 12, 2008

Non-Consolidated Financial Results for the First half of Fiscal Year Ending March 31, 2009 (Six Months Ended September 30, 2008)

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

1. Financial Results for the First Half of FY2008 (April 1, 2008 – September 30, 2008)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1H FY2008	148,528	-	3,929	-	3,617	-	1,639	-
1H FY2007	179,859	15.4	3,401	-10.4	3,409	-10.3	1,930	-9.6

	Net income per share	Diluted net income per share
	Yen	Yen
1H FY2008	5,230.36	5,225.15
1H FY2007	5,861.71	5,853.69

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1H FY2008	62,052	14,560	23.5	52,207.89
FY2007	91,000	18,619	20.5	56,499.39

Reference: Shareholders' equity (million yen): 1H FY2008: 14,560 FY2007: 18,619

2. Dividends

(Record date)	Dividends per share				
	1Q-end	2Q-end	3Q-end	Yearend	Annual
	Yen	Yen	Yen	Yen	Yen
FY2007	-	2,500.00	-	2,500.00	5,000.00
FY2008	-	2,500.00	-	-	-
FY2008 (forecasts)	-	-	-	2,500.00	5,000.00

3. Forecasts for the Fiscal Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(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	438,400	-	10,100	-	9,800	-	5,100	-	12,359.19

Note) Revision of forecast results during the period: None

Notes: 1. Non-consolidated forecasts for the fiscal year ending March 31, 2009

We (changed from Telepark Corp. to T-GAIA Corp. on October 1, 2008) have merged with MS Communications Co., Ltd. effective October 1, 2008. First-half results are of Telepark Corp., and full-year forecasts for the T-GAIA Corp. Full-year forecasts are calculated by adding the first-half forecasts for Telepark Corp. to the second-half forecasts for the T-GAIA Corp.

2. Non-consolidated percentage growth for the fiscal year ending March 31, 2009

We have omitted year-over-year percentage growth figures since non-consolidated full-year forecasts consist of first-half forecasts for Telepark Corp. plus second-half forecasts for T-GAIA Corp.

For reference, we expect sales to increase 18.1% year-over-year, operating income 36.8%, ordinary income 32.7%, and net income 21.7% over non-consolidated results for the fiscal year ended March 31, 2008.

3. Non-consolidated net income per share forecast for the fiscal year ending March 31, 2009

We calculate net income per share based on the average number of outstanding shares in the term, using Telepark Corp.'s outstanding shares (after share buybacks) as of September 30, 2008, and the T-GAIA Corp.'s outstanding shares (Telepark Corp.'s outstanding shares, excluding treasury stock holdings, plus shares allotted to shareholders of MS Communications Co., Ltd.) for the second half from October 2008. The number of shares allotted to shareholders of MS Communications Co., Ltd. will be calculated based on the stock swap ratio in the merger contract concluded between Telepark Corp. and MS Communications Co., Ltd. on May 22, 2008.

For reference, we forecast net income per share of 6,753.86 yen for T-GAIA Corp. in the second half.

4. Others

(1) Application of simplified accounting methods and special accounting methods in the preparation of quarterly financial statements: Yes

(2) Changes in accounting principles, procedures and presentation methods for preparation of quarterly financial statements

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 4 for further information.

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding (including treasury stock) at end of period:	2Q FY2008:	329,562 shares
	FY2007:	329,554 shares
2) Number of treasury stock at end of period:	2Q FY2008:	50,673 shares
	FY2007:	-
3) Average number of shares outstanding during the period:	2Q FY2008:	313,498 shares
	2Q FY2007:	329,388 shares

* Cautionary statement with respect to forward- looking statements

Beginning with the current fiscal year, the Company has adopted "Accounting Standards for Quarterly Financial Statements" (ASBJ Statement No. 12) and "Guidance on Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14). In addition, the quarterly financial statements are prepared in accordance with "Regulations for Quarterly Financial Statements."

The above forecasts are based on the Company's judgments in accordance with information currently available. Forecasts therefore embody risks and uncertainties. Actual results may differ from these forecasts for a number of factors, including but not limited to the operating environment.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Results of Operations

The downside risks to Japan's economy during the cumulative period under review covering two fiscal quarters have increased as the global economy is slowing down as a result of the worsening worldwide financial crisis triggered by the subprime mortgage problems in the United States.

In the mobile phone market, the rate of cancellations has declined as the upgrade cycle has lengthened due to installment sales and telecommunications carriers have provided inexpensive discount services. Also, net new mobile phone subscriptions totaled 2.11 million in the period under review, down 19.4% year-over-year. Net new third-generation mobile phone subscriptions totaled 5.51 million as users continued to migrate to third-generation phones, according to data from the Telecommunications Carriers Association.

Under such conditions, sales in the mobile telecommunication business decreased as the number of handsets sold fell below initial projections due to a rise in retail prices following the introduction of new sales methods, a decline in consumer confidence brought about by the recession, and other factors. However, just as new sales methods have raised retail prices, they have also stabilized prices, and along with the acquisition of Telecompark Corporation, which was converted to a subsidiary in November of last year and has contributed to an increase in management efficiency, the result has been an increase in operating income.

In the network communications business, sales increased in comparison with the previous year due to an expansion in FTTH and related service sales, but operating income declined as sign-ups for MYLINE service have been sluggish with the maturing of the market.

In the settlement services and others business, sales route expansion at large convenience stores contributed to higher sales and profits.

Net sales declined 17.4% year-over-year to 148,528 million yen in the period under review covering two fiscal quarters, operating income increased 15.5% to 3,929 million yen, and ordinary income increased 6.1% to 3,617 million yen due to the booking of 259 million yen in merger-related expenses accompanying the business integration with MS Communications Co., Ltd. on October 1, 2008. Net income for the period under review declined 15.1% to 1,639 million yen due to the booking of a 165 million yen extinguishment loss from shares in subsidiaries accompanying the acquisition and merger of subsidiaries Telecompark Corp. and Mobitec Co., Ltd., in addition to a 247 million yen provision for office relocation expenditures.

Segment classifications were revised in the first quarter. Given the rising importance of settlement services due to higher transaction volumes, the classification of "settlement services and other business" was newly created to include business using the PIN (Personal Identification Number) sales system and prepaid mobile phone-related business. As a result of this change, compared with FY2007 (ended March 31, 2008), the mobile telecommunication business no longer includes prepaid mobile phone-related product sales, and the network communications business no longer includes business using the PIN sales system.

Mobile telecommunication business

The company's unit sales in the period under review declined 17.1% year-over-year to 1,498 thousand units for mobile phones and were down 10.0% to 15,000 units for PHS on weak handset sales at all carriers.

As a result, sales in this segment declined 21.4% year-over-year to 128,719 million. Yet, operating income rose 27.5% year-over-year to 2,682 million as penalties on subscription cancellations decreased and there was an increase in maintenance service at carrier shops in addition to the aforementioned factors.

Network communications business

In the period under review, both sales and profits from FTTH and related services increased steadily as the sales structure comprised mainly of major sales agents stabilized. On the other hand, MYLINE service line sales and operating income both declined as gains were sluggish consequent upon a maturing of the market.

Sales in the segment increased 6.1% year-over-year to 5,952 million yen, but operating income declined 6.2% to 1,030 million yen.

Settlement services and other businesses

In the settlement services and other business, business using the PIN sales system expanded, resulting in year-over-year increases in both sales and operating income.

Sales in the segment increased 32.7% year-over-year to 13,857 million yen, and operating income was up 9.0% to 216 million yen.

2. Qualitative Information Regarding Financial Position

Assets totaled 62,052 million yen at the end of the cumulative period under review covering two fiscal quarters, down 28,947 million yen from the end of the previous fiscal year.

Liabilities declined 24,888 million yen, and net assets declined 4,059 million yen. As a result, the equity ratio improved 3.0 points to 23.5%.

Cash flows from operating activities totaled 10,081 million yen.

The main items were 3,116 million yen in income before income taxes, a 24,012 million yen decline in accounts receivable, a 5,210 million yen decline in inventories and a 22,886 million yen decline in accounts payable.

Cash flows used in investing activities totaled 625 million yen.

The main items were 167 million yen in payments for purchase of property, plant and equipment, 265 million yen in outlays for payment of leasehold deposits, and 210 million yen in expenditures arising from business succession.

Cash flows used in financing activities totaled 888 million yen.

The main items were a 3,100 million yen decline in short-term borrowings, a cash dividend paid of 817 million yen, and an outlay of 4,890 million yen for the acquisition of treasury stock (including incidental expenses).

Cash and cash equivalents for the first half increased 1,013 million yen from the end of the previous fiscal year to 2,102 million yen.

3. Qualitative Information Regarding Forecasts

We maintain the figures which were announced on October 31, 2008.

4. Other

- (1) Application of simplified accounting methods and special accounting methods in the preparation of quarterly financial statements
The amount of income taxes paid is calculated using only significant taxable and deductible items.
- (2) Changes in accounting principles, procedures and presentation methods for preparation of quarterly financial statements
Beginning with the current fiscal year, the Company has adopted the "Accounting Standards for Quarterly Financial Statements" (ASBJ Statement No. 12) and "Guidance on Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14). In addition, the quarterly financial statements are prepared in accordance with the "Regulations for Quarterly Financial Statements."

5. Quarterly Financial Statements

(1) Balance Sheets

(Millions of yen)

	1H FY2008 (As of Sep. 30, 2008)	FY2007 Summary (As of Mar. 31, 2008)
Assets		
Current assets		
Cash on hand and in banks	2,102	1,089
Accounts receivable -trade	25,981	46,365
Inventories	14,866	18,852
Accounts receivable -other	9,827	13,325
Other current assets	1,142	2,843
Allowance for doubtful accounts	(48)	(37)
Total current assets	53,871	82,438
Fixed assets		
Property, plant and equipment	893	596
Intangible assets		
Goodwill	3,717	138
Others	13	8
Total intangible assets	3,730	146
Investments and other assets		
Investments in affiliates	-	5,063
Leasehold deposits	2,155	1,565
Others	1,505	1,262
Allowance for doubtful accounts	(104)	(73)
Total investments and other assets	3,556	7,818
Total fixed assets	8,180	8,561
Total assets	62,052	91,000
Liabilities		
Current liabilities		
Accounts payable -trade	22,335	42,591
Short-term borrowings	4,300	7,400
Accounts payable -other	12,143	13,633
Unpaid taxes	1,581	1,576
Deposits received	220	564
Provision	751	530
Other current liabilities	530	390
Total current liabilities	41,861	66,687
Long-term liabilities		
Long-term borrowings	5,000	5,000
Accrued employees' retirement benefits	550	561
Others	79	132
Total long-term liabilities	5,630	5,693
Total liabilities	47,492	72,380

T-GAIA Corp. (3738) Financial Result for 1H FY2008

(Millions of yen)

	1H FY2008 (As of Sept. 30, 2008)	FY2007 Summary (As of Mar. 31, 2008)
Net assets		
Shareholders' equity		
Common stock	1,522	1,552
Capital surplus	1,671	1,671
Retained earnings	16,084	15,268
Treasury stock	(4,864)	-
Total shareholders' equity	14,444	18,492
Valuation and translation adjustments		
Net unrealized holding gain on securities	116	127
Total valuation and translation adjustments	116	127
Total net assets	14,560	18,619
Total liabilities and net assets	62,052	91,000

(2) Statements of Income

(Millions of yen)

	1H FY2008 (Apr. 1, 2008 - Sep. 30, 2008)
Net sales	148,528
Cost of goods sold	132,374
Gross profit	16,153
Selling, general and administrative expenses	12,224
Operating income	3,929
Non-operating income	
Interest income	5
Dividend income	1
Rent income	9
Insurance reimbursement	4
Others	11
Total non-operating income	31
Non-operating expenses	
Interest expenses	69
Merger expenses	259
Others	15
Total non-operating expenses	343
Ordinary income	3,617
Extraordinary gains	
Gain on sales of fixed assets	3
Total extraordinary gains	3
Extraordinary losses	
Provision for allowance for office relocation expenses	247
Loss on extinguishment of tie-in shares	165
Loss on revaluation of investment securities	57
Impairment losses	14
Loss on removal of fixed assets	13
Loss on valuation of golf club memberships	2
Others	1
Total extraordinary losses	503
Income before income taxes	3,116
Income taxes –current	1,279
Income taxes –deferred	197
Total income taxes	1,477
Net income	1,639

(3) Statements of Cash Flows

(Millions of yen)

	1H FY2008 (Apr. 1, 2008 - Sept. 30, 2008)
Cash flows from operating activities	
Income before income taxes	3,116
Depreciation	282
Amortization of goodwill	270
Impairment losses	14
Loss (gain) on extinguishment of tie-in shares	165
Increase (decrease) in allowance for transfer	247
Increase (decrease) in allowance for doubtful accounts	8
Increase (decrease) in reserve for employees' bonuses	(12)
Increase (decrease) in allowance for early subscription cancellations	(65)
Increase (decrease) in accrued employees' retirement benefits	(10)
Interest and dividend income	(6)
Interest expenses	69
Loss (gain) on sales of fixed assets	(2)
Loss on removal of fixed assets	13
Unrealized loss (gain) from investment securities	57
Loss on valuation of golf club memberships	2
Decrease (increase) in accounts receivable	24,012
Decrease (increase) in accounts receivable -other	4,225
Decrease (increase) in inventories	5,210
Increase (decrease) in accounts payable	(22,886)
Change in other accounts payable	(2,486)
Others	(608)
Subtotal	11,619
Interests and dividends received	7
Interests paid	(69)
Income taxes paid	(1,476)
Net cash provided by operating activities	10,081
Cash flows from investing activities	
Payment for purchase of property, plant and equipment	(167)
Proceeds from sales of property, plant and equipment	19
Payment for purchase of software	(13)
Payment for loans receivable	(86)
Proceeds from collection of loans receivable	13
Payment for loans to affiliates	10
Payment for leasehold deposits	(265)
Proceeds from return of leasehold deposits	103
Payments for business transfer	(210)
Others	(28)
Net cash used in investing activities	(625)
Cash flows from financing activities	
Decrease in short-term borrowings	(3,100)
Expenses for purchase of treasury shares	(4,890)
Cash dividends paid	(817)
Net cash used in financing activities	(8,808)
Increase (decrease) in cash and cash equivalents	647
Cash and cash equivalents at beginning of period	1,089
Increase in cash and cash equivalents resulting from merger	366
Cash and cash equivalents at end of period	2,102

Beginning with the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly financial statements are prepared in accordance with “Regulations for Quarterly Financial Statements.”

(4) Going Concern Assumption

Not applicable.

(5) Significant Changes in Shareholders' Equity

The company has launched public tender from June 30, 2008 to July 28, 2008 and acquired 50,673 common shares (4,864 million yen) for treasury.

As a result, the treasury share increased by 4,864 million yen this quarter and totaled to 4,864 million yen the end of this first half.

6. Other Information

(1) Net sales and operating income by business segment

(Millions of yen)

		1H FY2007 (Apr. 1, 2007 – Sep. 30, 2007)	1H FY2008 (Apr. 1, 2008 – Sep. 30, 2008)	YoY change
		Million yen	Million yen	%
Mobile telecommunication business	Net sales	163,805	128,719	(21.4)
	Operating income	2,104	2,682	27.5
Network communications business	Net sales	5,612	5,952	6.1
	Operating income	1,098	1,030	(6.2)
Settlement services and others business	Net sales	10,441	13,857	32.7
	Operating income	198	216	9.0
Total	Net sales	179,859	148,528	(17.4)
	Operating income	3,401	3,929	15.5

(Change in business segmentation)

We revised business segmentations starting FY2008 (ending March 31, 2009), moving from two business segments, the mobile telecommunication business and the network communications and others business, to three business segments: the mobile telecommunication business, the network communications business, and the settlement services and others business. The prepaid business, included in the mobile telecommunication business segment through last fiscal year, and the business using the PIN sales system, included in the network communications and others business segment through last fiscal year, will be included in the settlement services and others business segment from the current fiscal year onward to ensure business segments more accurately reflect their business content. We have refigured results for the first half of the previous fiscal year to enable comparisons with the first half of the current fiscal year.

*This financial report is solely a translation of the summary of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

Appendix**Financial Statements for the Previous First half (1)
Summary Statements of Income**

Account	1H FY2007 (Apr. 1, 2007 – Sep. 30, 2007)	
	Million yen	Percentage (%)
I Net sales	179,859	100.0
II Cost of goods sold	165,863	92.2
Gross profit	13,996	7.8
III Selling, general and administrative expenses	10,594	5.9
Operating income	3,401	1.9
IV Non-operating income	23	0.0
V Non-operating expenses	16	0.0
Ordinary income	3,409	1.9
VI Extraordinary gains	7	0.0
VII Extraordinary losses	27	0.0
Income before income taxes	3,389	1.9
Income taxes - current	1,200	
Income taxes - deferred	257	1,458
Net income		1,930
		1.1

(2) Statements of Cash Flows

	1H FY2007 (Apr. 1, 2007 – Sep. 30, 2007)
Account	Million yen
I Cash flows from operating activities	
Income before income taxes	3,389
Depreciation and computer expenses	228
Amortization of goodwill	65
Impairment losses	23
Stock issue expenses	0
Increase (decrease) in allowance for doubtful accounts	(19)
Increase (decrease) in reserve for employees' bonuses	(1)
Increase (decrease) in provision for directors' bonuses	-
Allowance for early subscription cancellations	42
Increase (decrease) in accrued employees' retirement benefits	32
Increase (decrease) in accrued directors' severance benefits	(46)
Interest and dividend income	(4)
Interest expenses	15
Loss (gain) on sale and removal of fixed assets	3
Decrease (increase) in accounts receivable	8,709
Decrease (increase) in inventories	3,517
Increase (decrease) in accounts payable	(8,781)
Directors' bonuses paid	-
Others	197
Subtotal	7,372
Interests and dividends received	4
Interests paid	(15)
Income taxes paid	(1,629)
Net cash provided by operating activities	5,731
II Cash flows from investing activities	
Payment for purchase of property, plant and equipment	(205)
Proceeds from sale of property, plant, and equipment	0
Payment for purchase of software	(37)
Payment for purchase of investment securities	(122)
Payment for purchase of shares in subsidiaries and affiliates	(5)
Payment for loans receivable	(92)
Proceeds from collection of loans receivable	28
Net decrease (increase) in loans to affiliates	(30)
Payment for leasehold deposits	(106)
Proceeds from return of leasehold deposits	16
Payment for shop succession	-
Other investment outlays	(46)
Net cash used in investing activities	(600)
III Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	(3,400)
New stock issue expenses	0
Proceeds from issuance of new stock	12
Cash dividends paid	(816)
Net cash used in financing activities	(4,203)
IV Increase (decrease) in cash and cash equivalents	926
V Cash and cash equivalents at beginning of period	117
VI Cash and cash equivalents at end of period	1,104