

February 13, 2009

Non-Consolidated Financial Results for the third quarter of Fiscal Year Ending March 31, 2009 (Nine Months Ended December 31, 2008)

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

1. Financial Results for the Third Quarter of FY2008 (April 1, 2008 – December 31, 2008)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2008	275,294	—	7,083	—	6,696	—	3,348	—
3Q FY2007	—	—	—	—	—	—	—	—

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY2008	8,810.69	8,803.74
3Q FY2007	—	—

Since we acquired all the outstanding shares of Telecom SANYO Co., Ltd as of October 31, 2007 and made it a consolidated subsidiary, we announced the consolidated financial results for the 3Q of the last fiscal year. Therefore, we have not included the 3Q consolidated results of the last fiscal year, which would not correspond to the non-consolidated 3Q results for this fiscal year.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
3Q FY2008	138,432	22,973	16.6	44,838.40
FY2007	91,000	18,619	20.5	56,499.39

Reference: Shareholders' equity (million yen): 3Q FY2008: 22,973 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

Note) Revision of dividend forecast during the period: None

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	—	12,358.93

Note) Revision of forecast results during the period: None

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

We have merged with MS Communications Co., Ltd. on October 1, 2008 and changed the company name to T-Gaia Corporation (T-Gaia Corp.). First-half forecasts are for Telepark Corp., and full-year forecasts for 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 this quarter.

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

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding (including treasury stock) at end of period: 3Q FY2008: 512,363 shares

3Q FY2007: 329,554 shares

2) Number of treasury stock at end of period: 3Q FY2008: -

3Q FY2007: -

3) Average number of shares outstanding during the period: 3Q FY2008: 380,026 shares

3Q FY2007: 329,439 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

Turbulence in the financial market triggered by the subprime mortgage problems in the United States have rapidly started to affect the real economy, making it even clearer that Japan's economy during the cumulative period under review covering three fiscal quarters was moving from a slowdown into recession. Looking ahead, the business environment remains difficult to forecast with sluggish consumer spending on a decline in capital investment resulting from the downturn in business performance, increasing unemployment, and flagging stock prices, among other factors.

In the mobile phone market, which is T-Gaia's main business field, individual consumers have become even more cautious as the upgrade cycle has lengthened due to penetration of the installment sales system and the worsening financial crisis. Under these conditions, net new mobile phone subscriptions totaled 3.1 million in the period under review, down 18.5% year-over-year, according to data from the Telecommunications Carriers Association. In the fixed-line phone and broadband market, the number of subscribers of the MYLINE Carrier Selection Service continued declining with the maturing of the market. Fiber to the home (FTTH) and other fiber optics services, on the other hand, continued to see an increase in the number of subscribers, even though changeover from ADSL and similar services has settled for the first round.

In this business environment Telepark Corporation and MS Communications Co., Ltd., merged on October 1, 2008 with the aim of expanding business and boosting corporate value. With the merger, the company name was changed to T-Gaia Corporation.

The company strove to bolster its revenue base by strengthening its sales force in each segment and improving its business efficiency. In the mobile telecommunications business, aimed towards corporate clients were strengthened and the sales route through shops was optimized. In the network communications business, the sales system was upgraded and expanded, and a proposal-oriented business was actively developed in the area of direct sales. In settlement services and other businesses, the number of stores handling these services was expanded.

In the period under review covering three fiscal quarters, the above factors, including the business merger, resulted in net sales of 275,294 million yen, operating income of 7,083 million yen, ordinary income of 6,696 million yen, and net income for the period under review of 3,348 million yen.

The situation in each business segment is described below.

Mobile telecommunications business

This market is facing an extremely challenging environment due to factors including rising retail prices accompanying the introduction of new sales plans, lengthening of the upgrade cycle, and a drop in consumer spending caused by the economic slowdown. However, optimization of the sales channel through shops and an increase in demand for maintenance service under the new sales plans, in addition to the business merger, produced handset sales of 2,733 thousand mobile phones and 22 thousand PHS units. This resulted in sales of 239,079 million yen and operating income of 5,110 million yen.

Network communications business

In the network communications business, measures were taken to encourage subscription as the growth rate for FTTH became sluggish, including upgrading and expanding the sales network comprised mainly

of major sales agents and strengthening the proposal-oriented business in the area of direct sales. These efforts plus the business merger resulted in sales of 10,230 million yen and operating income of 1,550 million yen.

Settlement services and other businesses

Increase of the number of convenience stores where the personal identification number (PIN) sales system is available, among businesses using the PIN system, plus the business merger, resulted in sales of 25,984 million yen and operating income of 422 million yen.

2. Qualitative Information Regarding Financial Position

Assets totaled 138,432 million yen at the end of the cumulative period under review covering three fiscal quarters, up 47,432 million yen from the end of the previous fiscal year.

Liabilities increased 43,078 million yen, and net assets increased 4,353 million yen. As a result, the equity ratio declined 3.9 points to 16.6%.

Cash flows from operating activities totaled 9,609 million yen.

The main items were 6,249 million yen in income before income taxes, a 15,049 million yen decline in accounts receivable, a 1,242 million yen decline in inventories, a 10,501 million yen decline in accounts payable, and payment of 4,328 million yen in corporate income taxes.

Cash flows used in investing activities totaled 1,650 million yen.

The main items were 484 million yen in payments for the purchase of tangible fixed assets and 1,044 million yen in outlays for payment of leasehold deposits.

Cash flows used in financing activities totaled 5,134 million yen.

The main items were 1,494 million yen of cash dividends paid and an outlay of 4,890 million yen for the acquisition of treasury stock (including incidental expenses).

Cash and cash equivalents for the period under review increased 3,775 million yen from the end of the previous fiscal year to 4,865 million yen.

3. Qualitative Information Regarding Forecasts

There has been no change in the figures that 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)

	3Q FY2008 (As of Dec. 31, 2008)	FY2007 Condensed B/S (As of Mar. 31, 2008)
Assets		
Current assets		
Cash on hand and in banks	4,865	1,089
Accounts receivable -trade	56,289	46,365
Inventories	36,156	18,852
Accounts receivable -other	17,040	13,325
Other current assets	2,120	2,843
Allowance for doubtful accounts	(51)	(37)
Total current assets	116,421	82,438
Fixed assets		
Property, plant and equipment	2,724	596
Intangible assets		
Goodwill	10,778	138
Others	851	8
Total intangible assets	11,629	146
Investments and other assets		
Investments in affiliates	170	5,063
Leasehold deposits	5,018	1,565
Others	2,534	1,262
Allowance for doubtful accounts	(65)	(73)
Total investments and other assets	7,657	7,818
Total fixed assets	22,011	8,561
Total assets	138,432	91,000
Liabilities		
Current liabilities		
Accounts payable -trade	50,847	42,591
Short-term borrowings	26,700	7,400
Long-term debt repayable within one year	1,000	—
Accounts payable -other	21,734	13,633
Unpaid taxes	1,459	1,576
Deposits received	536	564
Provision	1,078	530
Other current liabilities	426	390
Total current liabilities	103,782	66,687
Long-term liabilities		
Long-term borrowings	10,250	5,000
Accrued employees' retirement benefits	538	561
Others	888	132
Total long-term liabilities	11,676	5,693
Total liabilities	115,459	72,380

T-GAIA Corp. (3738) Non-Consolidated Financial Result for 3Q FY2008

(Millions of yen)

	3Q FY2008 (As of Sept. 30, 2008)	FY2007 Summary (As of Mar. 31, 2008)
Net assets		
Shareholders' equity		
Common stock	3,098	1,552
Capital surplus	5,584	1,671
Retained earnings	14,213	15,268
Total shareholders' equity	22,895	18,492
Valuation and translation adjustments		
Net unrealized holding gain on securities	77	127
Total valuation and translation adjustments	77	127
Total net assets	22,973	18,619
Total liabilities and net assets	138,432	91,000

(2) Statements of Income

(Millions of yen)

	3Q FY2008 (Apr. 1, 2008 - Dec. 31, 2008)
Net sales	275,294
Cost of goods sold	244,696
Gross profit	30,597
Selling, general and administrative expenses	23,513
Operating income	7,083
Non-operating income	
Interest income	6
Dividend income	1
Rent income	16
Insurance reimbursement	19
Others	17
Total non-operating income	61
Non-operating expenses	
Interest expenses	164
Merger expenses	264
Others	19
Total non-operating expenses	449
Ordinary income	6,696
Extraordinary gains	
Reversal of allowance for doubtful accounts	57
Gain on sales of fixed assets	3
Total extraordinary gains	61
Extraordinary losses	
Provision for allowance for office relocation expenses	246
Loss on extinguishment of tie-in shares	165
Loss on revaluation of investment securities	57
Impairment losses	14
Loss on removal of fixed assets	18
Loss on valuation of golf club memberships	2
Others	2
Total extraordinary losses	508
Income before income taxes	6,249
Income taxes –current	2,667
Income taxes –deferred	233
Total income taxes	2,901
Net income	3,348

(3) Statements of Cash Flows

	(Millions of yen)
	3Q FY2008 (Apr. 1, 2008 - Dec. 31, 2008)
Cash flows from operating activities	
Income before income taxes	6,249
Depreciation	604
Amortization of goodwill	698
Impairment losses	14
Loss (gain) on extinguishment of tie-in shares	165
Increase (decrease) in allowance for transfer	218
Increase (decrease) in allowance for doubtful accounts	(57)
Increase (decrease) in reserve for employees' bonuses	(502)
Increase (decrease) in allowance for early subscription cancellations	(91)
Increase (decrease) in accrued employees' retirement benefits	(22)
Interest and dividend income	(8)
Interest expenses	171
Loss (gain) on sales of fixed assets	(3)
Loss on removal of fixed assets	18
Unrealized loss (gain) from investment securities	57
Loss on valuation of golf club memberships	2
Decrease (increase) in accounts receivable	15,049
Decrease (increase) in accounts receivable -other	3,869
Decrease (increase) in inventories	1,242
Increase (decrease) in accounts payable	(10,501)
Change in other accounts payable	(2,456)
Others	(651)
Subtotal	14,069
Interests and dividends received	9
Interests paid	(140)
Income taxes paid	(4,328)
Net cash provided by operating activities	9,609
Cash flows from investing activities	
Payment for purchase of property, plant and equipment	(448)
Proceeds from sales of property, plant and equipment	32
Payment for purchase of software	(77)
Payment for loans receivable	(91)
Proceeds from collection of loans receivable	18
Payment for loans to affiliates	10
Payment for leasehold deposits	(1,044)
Proceeds from return of leasehold deposits	189
Payments for business transfer	(210)
Others	(29)
Net cash used in investing activities	(1,650)

T-GAIA Corp. (3738) Non-Consolidated Financial Result for 3Q FY2008

	(Millions of yen)
	3Q FY2008 (Apr. 1, 2008 - Dec. 31, 2008)
Cash flows from financing activities	
Decrease in short-term borrowings	1,500
Expenses for repayment of long-term borrowings	(250)
Expenses for purchase of treasury shares	(4,890)
Cash dividends paid	(1,494)
Net cash used in financing activities	(5,134)
Increase (decrease) in cash and cash equivalents	2,824
Cash and cash equivalents at beginning of period	1,089
Increase in cash and cash equivalents resulting from merger	951
Cash and cash equivalents at end of period	4,865

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

(Million yen)

	Capital	Capital surplus			Accumulated earnings			Treasury stock	Total net assets
		Capital reserve	Other capital surplus	Total capital surplus	Earned reserves	Other accumulated earnings	Total accumulated earnings		
Balance as of March 31, 2008	1,552	1,671	—	1,671	8	15,260	15,268	—	18,492
Changes during the 3 quarters									
New stock issue	0	0		0					0
Dividend surplus						(1,521)	(1,521)		(1,521)
Net income						3,348	3,348		3,348
Purchase of treasury shares								(4,864)	(4,864)
Gain from merger	1,545	3,913		3,913	9	(2,892)	(2,882)	4,864	7,439
Total changes during the 3 quarters	1,545	3,913	—	3,913	9	(1,065)	(1,055)	—	4,403
Balance as of December 31, 2008	3,098	5,584	—	5,584	17	14,195	14,213	—	22,895

Appendix**Financial Statements for the Previous Third Quarter****(1) Summary Statements of Income**

	3Q FY2007 (Apr. 1, 2007 – Dec. 31, 2007)
Account	Million yen
I Net sales	268,770
II Cost of goods sold	247,910
Gross profit	20,860
III Selling, general and administrative expenses	15,976
Operating income	4,884
IV Non-operating income	36
V Non-operating expenses	31
Ordinary income	4,888
VI Extraordinary gains	7
VII Extraordinary losses	30
Income before income taxes	4,865
Income taxes - deferred	2,097
Net income	2,767

(2) Statements of Cash Flows

	3Q FY2007 (Apr. 1, 2007 – Dec. 31, 2007)
Account	Million yen
I Cash flows from operating activities	
Income before income taxes	4,865
Depreciation and computer expenses	341
Amortization of goodwill	97
Impairment losses	23
Stock issue expenses	0
Increase (decrease) in allowance for doubtful accounts	(17)
Increase (decrease) in reserve for employees' bonuses	(117)
Allowance for early subscription cancellations	(9)
Increase (decrease) in accrued employees' retirement benefits	48
Increase (decrease) in provision for directors' bonuses	(46)
Interest and dividend income	(7)
Interest expenses	31
Loss (gain) on sale and removal of fixed assets	5
Loss (gain) on sale of securities and investments	1
Decrease (increase) in accounts receivable	8,783
Decrease (increase) in inventories	1,715
Increase (decrease) in accounts payable	(7,590)
Others	(984)
Subtotal	7,140
Interests and dividends received	6
Interests paid	(24)
Income taxes paid	(3,102)
Net cash provided by operating activities	4,019

	3Q FY2007 (Apr. 1, 2007 – Dec. 31, 2007)
Account	Million yen
II Cash flows from investing activities	
Payment for purchase of property, plant and equipment	(267)
Proceeds from sale of property, plant, and equipment	0
Payment for purchase of software	(43)
Payment for purchase of investment securities	(122)
Proceeds from sale of investment securities	0
Payment for purchase of shares in subsidiaries and affiliates	(4,884)
Payment for loans receivable	(132)
Proceeds from collection of loans receivable	52
Net decrease (increase) in loans to affiliates	(1,780)
Payment for leasehold deposits	(138)
Proceeds from return of leasehold deposits	29
Other investment outlays	(17)
Net cash used in investing activities	(7,305)
III Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	1,800
Proceeds from long-term borrowings	5,000
New stock issue expenses	(0)
Proceeds from issuance of new stock	14
Cash dividends paid	(1,613)
Net cash used in financing activities	5,200
IV Increase (decrease) in cash and cash equivalents	1,914
V Cash and cash equivalents at beginning of period	177
VI Cash and cash equivalents at end of period	2,092

6. Other Information

(1) Net sales and operating income by business segment

(Millions of yen)

		3Q FY2007 (Apr. 1, 2007 – Dec. 31, 2007)	3Q FY2008 (Apr. 1, 2008 – Dec. 31, 2008)	YoY change (%)
Mobile telecommunications business	Net sales	224,373	239,079	(2.2)
	Operating income	3,008	5,110	69.9
Network communications business	Net sales	8,180	10,230	25.1
	Operating income	1,560	1,550	(0.6)
Settlement services and others business	Net sales	16,216	25,984	60.2
	Operating income	314	422	34.2
Total	Net sales	268,770	275,294	2.4
	Operating income	4,884	7,083	45.0

(Change in business segmentation)

We revised business segmentations starting FY2008 (ending March 31, 2009), moving from two business segments, the mobile telecommunications business and the network communications and others business, to three business segments: the mobile telecommunications business, the network communications business, and the settlement services and others business. The prepaid business, included in the mobile telecommunications 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 third quarter of the previous fiscal year to enable comparisons with the third quarter of the current fiscal year.