

**Non-Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2011
(Nine Months Ended December 31, 2010) (Based on J-GAAP)**

February 10, 2011

Company Name: T-Gaia Corp.

Listing: Tokyo Stock Exchange, First Section

Stock Code: 3738

URL: <http://www.t-gaia.co.jp/>

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Scheduled Date of Filing Quarterly Securities Report: February 14, 2011

Scheduled Commencement Date of Dividend Payout: —

Quarterly Financial Results Presentation Materials: Yes

Explanatory Meeting on Quarterly Financial Results: None

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

1. Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2011 (April 1, 2010 – December 31, 2010)

(1) 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	%
3Q FY 2011	428,295	4.7	9,721	(9.5)	9,625	(9.0)	5,022	(12.4)
3Q FY 2010	408,915	48.5	10,746	51.7	10,580	58.0	5,734	71.3

	Net income per share		Diluted net income per share	
	Yen		Yen	
3Q FY 2011	9,802.54		9,797.28	
3Q FY 2010	11,191.75		11,185.03	

(2) Financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
3Q FY 2011	143,143		33,106		23.1		64,608.30	
FY 2010	147,390		31,061		21.1		60,619.38	

Reference: Shareholders' equity (million yen): 3Q FY 2011: 33,106 FY 2010: 31,061

2. Dividends

	Annual dividends				
	1Q-end	Interim	3Q-end	Yearend	Annual
	Yen				
FY 2010	—	3,000.00	—	3,000.00	6,000.00
FY 2011	—	2,750.00	—		
FY 2011 (forecasts)			—	2,750.00	5,500.00

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

3. Forecasts for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(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	571,000	0.9	13,600	(10.5)	13,400	(10.5)	7,000	(14.0)	13,661.34

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

4. Others (For details, refer to “Other Information” on page 3 of the Attachment)

(1) Application of simplified accounting procedures and special accounting procedures: Yes

(Note) This item inquires whether the reporting entity applies simplified accounting treatment and special accounting treatment in the preparation of quarterly financial statements.

(2) Changes in accounting principles, procedures and method of presentation

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

(Note) Items to be disclosed in “Significant Changes in the Basis of Presenting Quarterly Financial Statements”.

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

1) Number of shares outstanding (including treasury stock) at end of period	3Q FY 2011	512,419 shares	FY 2010	512,395 shares
2) Number of treasury stock at end of period	3Q FY 2011	—	FY 2010	—
3) Average number of shares outstanding during the period	3Q FY 2011	512,400 shares	3Q FY 2010	512,368 shares

*** 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 3 of the Attachment to the summary of quarterly financial statement.

Table of contents of the Attachment

1. Qualitative Information Concerning Financial Results.....	2
(1) Qualitative information concerning operating results.....	2
(2) Qualitative information concerning financial position	3
(3) Qualitative information concerning business performance forecast	3
2. Other Information	3
(1) Summary of simplified and special accounting procedures.....	3
(2) Summary of changes in accounting principles, procedures, and method of presentation, etc. ..	3
(3) Summary of material matters concerning the going-concern assumption	3
3. Quarterly Financial Statements.....	4
(1) Quarterly balance sheets	4
(2) Statements of income.....	6
(Nine months to December).....	6
(Three months to December)	7
(3) Statements of cash flows.....	8
(4) Notes on going concern assumption	10
(5) Segment information.....	10
(6) Notes on significant changes in shareholders' equity	11
(7) Other notes.....	11
4. Other Information	12
(1) Net sales and operating income by business segment.....	12

1. Qualitative Information Concerning Financial Results

(1) Qualitative information concerning operating results

The Japanese economy in the period under review (April – December 2010) displayed rising exports and production thanks to the growth in emerging economies, predominantly in Asia, with improved corporate earnings and rebounding personal consumption. The outlook remained uncertain, however, given concerns over economic downturn abroad, specifically in Europe, and taking into account continuing yen appreciation, deflationary pressures, and strains on employment.

In the Company's business mainstay, the market for mobile phone handsets, sales benefited from new demand fueled by a string of introduction of data communication terminal devices such as smartphones, tablets, and digital photo frames. As a result, unit sales increased from last year in a growing market.

Under this business environment, unit sales including prepaid-type mobile phones increased 9.0 percent on the year to 4.03 million units, thanks to sales of data communication terminal devices such as smart phones, tablets, and digital photo frames and efforts to capture the demand generated by the changeover from old-standard handsets, for which service is scheduled to be terminated, to new-standard handsets. Despite these improvements, however, operating income at the Mobile Telecommunications Business slipped. This was due budget-type handsets gaining more ground, price discounting spurred by intensifying competition, and the effects of communications carriers' revised commission rate regimes for shops.

In the Network Communications Business, efforts surrounding sales of FTTH (Fiber To The Home) services and the acquisition of MYLINE service subscribers were blunted as MYLINE service market saturation took its toll on marketing efficiency, sending sales revenue and operating income lower.

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 and robust sales of prepaid-type mobile phones at major convenience store operators.

As a result, for the period under review (April – December 2010) sales revenue increased 4.7 percent on the year to 428,295 million yen, but operating income declined 9.5 percent to 9,721 million yen and ordinary income fell 9.0 percent to 9,625 million yen. Moreover, due to an extraordinary loss of 400 million yen in total loss recognized in the first quarter reflecting the Company's first year of adoption of the accounting standard for asset retirement obligations, net income decreased 12.4 percent to 5,022 million yen.

Results by business segment are described below.

(Mobile Telecommunications Business)

In the period under review (April – December 2010), the Company stayed focused on promoting sales of data communication terminal devices such as smart phones, tablets, and digital photo frames, and on capturing the demand generated by the changeover from old-standard handsets, for which service is scheduled to be terminated, to new-standard handsets. Additionally, corporate sales efforts underwent further strengthening. As a result, unit sales excluding prepaid-type mobile phones increased 7.6 percent on the year to 3.91 million units.

However, due to the growth in budget-type handsets and price discounting spurred by intensifying competition, sales revenue were only 0.6 percent higher than the year to 355,344 million yen. Operating income fell 9.4 percent on the year to 7,202 million yen. Although the Company optimized existing sales routes and rationalized business processes, the income decline reflects the aforementioned growth in budget-type handsets and price discounting spurred by intensifying competition, as well as the effects of communications carriers' revised commission rate regimes for shops.

(Network Communications Business)

In the period under review (April – December 2010), the Company worked to enhance the quality of sales operations through continued upgrading of its sales frameworks centered on core shops and by strengthening proposal-based sales and marketing in direct sales. Additionally, the Company sought to promote subscriptions by strengthening alliances with other companies and worked to increase sales of optical fiber line services such as FTTH and the acquisition of MYLINE service subscribers. However, despite these efforts, sales revenue was only 0.2 percent higher than the year to 15,727 million yen. Furthermore, operating income decreased 24.1 percent to 1,798 million yen. Main reasons were the shrinking pool of potential new subscribers due to MYLINE service market saturation, and worsened sales efficiency from the rising cost of subscriber acquisition.

(Prepaid Settlement Services Business and Other Business)

In the period under review (April – December 2010), 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). Additionally, sales of prepaid-type mobile phones increased. As a result, sales revenue increased 43.2 percent on the year to 57,223 million yen while operating income rose 68.0 percent to 719 million yen.

(2) Qualitative information concerning financial position

(Assets)

Current assets fell 2.5 percent compared with the end of the prior fiscal year to 124,784 million yen. This was due to accounts receivable-trade declined 5,826 million yen and products increased by 2,506 million yen. Fixed assets fell 5.3 percent compared with the end of the prior fiscal year to 18,359 million yen. This was due to tangible fixed assets and investments in affiliates, which increased by 144 million yen and 200 million yen, respectively, and goodwill declined 1,139 million yen. As a result, compared with the end of the prior fiscal year, total assets fell 2.9 percent to 143,143 million yen.

(Liabilities)

Current liabilities fell 5.8 percent compared with the end of the prior fiscal year to 105,236 million yen. This was due to accounts payable-trade declined 6,776 million yen and other accounts payable increased by 666 million yen. Long-term liabilities rose 4.5 percent compared with the end of the prior fiscal year to 4,800 million yen. This was due to long-term loans payable declined 754 million yen and asset removal obligations increased by 1,018 million yen. Total liabilities fell 5.4 percent compared with the end of the prior fiscal year to 110,037 million yen.

(Net assets)

Net assets rose 6.6 percent compared with the end of the prior fiscal year to 33,106 million yen.

(Cash flows)

Cash flows from operating activities totaled 2,269 million yen (65.5 percent lower than the same period in the previous year). Main factors were a 9,281 million yen in income before income taxes, a 5,826 million yen decline in trade receivables, a 6,776 million yen fall in trade payables, and a 5,852 million yen in income taxes paid.

Cash flows used in investing activities totaled 714 million yen (6.3 percent higher than the same period in the previous year). This was mainly due to a 566 million yen in payments for purchase of property, plant, and equipment, a 224 million yen in payment for purchase of software, a 200 million yen in payments for acquisition of shares in affiliates, and a 238 million yen in proceeds from return of leasehold deposits.

Cash flows used in financing activities totaled 1,823 million yen (74.9 percent lower than the same period in the previous year). Main factors for this were a 7,600 million yen net increase in short-term loans payable, a 8,496 million yen in payments for repayment of long-term loans payable, and a 2,928 million yen in cash dividends paid.

As a result, net cash and cash equivalents at the end of the first-half accounting period under review totaled 1,197 million yen, which was 268 million yen less than at the end of the previous fiscal year.

(3) Qualitative information concerning business performance forecast

The estimate of full-year business performance, released on May 13, 2010, remain unchanged.

Nine months sales represent 75.0 percent of the full-year estimate released on May 13, 2010, with percentages for operating income, ordinary income, and net income at 75.0 percent, 71.8 percent, and 71.8 percent, respectively.

2. Other Information

(1) Summary of simplified and special accounting procedures

Only significant taxable and deductible items were considered in the calculation of changes in the amounts of income tax payments.

(2) Summary of changes in accounting principles, procedures, and method of presentation, etc.

(Application of the accounting standard for asset retirement obligations)

Beginning with the first quarter, the Company applies the "Accounting Standard for Asset Retirement Obligations" (Business Accounting Standard No. 18; March 31, 2008) and the "Application Guideline for the Accounting Standard for Asset Retirement Obligations (Business Accounting Standard Application Guideline No. 21; March 31, 2008).

This accounting change reduces operating income and ordinary income for the period under review respectively by 51 million yen and income before income taxes by 451 million yen.

(3) Summary of material matters concerning the going-concern assumption

Not applicable.

3. Quarterly Financial Statements

(1) Quarterly balance sheets

(Millions of yen)

	3Q FY 2011 (As of December 31, 2010)	FY 2010 Summary (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	1,197	1,465
Accounts receivable – trade	67,056	72,882
Products	37,870	35,363
Inventories	98	74
Other accounts receivable	17,003	16,171
Other current assets	1,570	2,086
Allowance for doubtful accounts	(11)	(37)
Total current assets	124,784	128,007
Fixed assets		
Tangible fixed assets	3,265	3,121
Intangible assets		
Goodwill	7,685	8,824
Others	774	877
Total intangible assets	8,460	9,702
Investments and other assets		
Investments in affiliates	200	—
Leasehold deposits	4,098	4,244
Others	2,386	2,368
Allowance for doubtful accounts	(51)	(54)
Total investments and other assets	6,633	6,559
Total fixed assets	18,359	19,383
Total assets	143,143	147,390
Liabilities		
Current liabilities		
Accounts payable-trade	58,904	65,681
Short-term loans payable	18,100	10,500
Long-term loans payable within one year	3,586	9,328
Other accounts payable	22,219	21,553
Income taxes payable	879	2,938
Deposits received	496	148
Allowance for bonus	757	1,249
Allowance	130	114
Other current liabilities	162	222
Total current liabilities	105,236	111,736
Long-term liabilities		
Long-term loans payable	2,590	3,344
Allowance for employees' retirement benefits	441	447
Asset removal obligations	1,018	—
Others	750	801
Total long-term liabilities	4,800	4,593
Total liabilities	110,037	116,329

(Millions of yen)

	3Q FY 2011 (As of December 31, 2010)	FY 2010 Summary (As of March 31, 2010)
Net Assets		
Shareholders' equity		
Capital stock	3,098	3,098
Capital surplus	5,585	5,585
Retained earnings	24,367	22,290
Total shareholders' equity	33,051	30,974
Valuation and translation adjustments		
Net unrealized holding gain on securities	54	86
Total valuation and translation adjustments	54	86
Total net assets	33,106	31,061
Total Liabilities and Net Assets	143,143	147,390

(2) **Statements of income**
(Nine months to December)

(Millions of yen)

	3Q FY 2010 (from April 1, 2009 to December 31, 2009)	3Q FY 2011 (from April 1, 2010 to December 31, 2010)
Net Sales	408,915	428,295
Cost of Sales	363,664	384,180
Gross Profit	45,251	44,114
Selling, General and Administrative Expenses	34,505	34,392
Operating Income	10,746	9,721
Non-operating Income		
Interest income	5	3
Dividend income	3	2
Rent income	6	3
Insurance reimbursement	6	16
Compensation received	9	—
Others	22	28
Total non-operating income	54	54
Non-operating Expenses		
Interest expenses	203	136
Others	16	13
Total non-operating expenses	220	150
Ordinary Income	10,580	9,625
Extraordinary Gains		
Reversal of allowance for doubtful accounts	4	27
Refund of prior-year consumption taxes, etc.	58	—
Gain from termination of employee retirement benefit plan	12	—
Compensation received	—	22
Gain on sales of fixed assets	2	25
Total extraordinary gains	77	74
Extraordinary Losses		
Change amount attributable to the application of the accounting standard for asset retirement obligations	—	400
Impairment losses	30	—
Loss on revaluation of shares in affiliates	83	—
Loss on removal of fixed assets	10	16
Loss on sales of fixed assets	—	1
Others	0	—
Total extraordinary losses	125	418
Income Before Income Taxes	10,531	9,281
Income Taxes – Current	4,135	3,879
Income Taxes – Deferred	661	379
Total Income Taxes	4,797	4,258
Net Income	5,734	5,022

(Three months to December)

(Millions of yen)

	3Q FY 2010 (from October 1, 2009 to December 31, 2009)	3Q FY 2011 (from October 1, 2010 to December 31, 2010)
Net Sales	129,005	141,466
Cost of Sales	114,986	127,154
Gross Profit	14,018	14,312
Selling, General and Administrative Expenses	11,334	11,407
Operating Income	2,684	2,904
Non-operating Income		
Interest income	1	1
Rent income	2	1
Insurance reimbursement	0	0
Subsidy income	—	4
Others	10	4
Total non-operating income	14	10
Non-operating Expenses		
Interest expenses	53	33
Others	7	5
Total non-operating expenses	60	39
Ordinary Income	2,637	2,876
Extraordinary Gains		
Others	0	—
Total extraordinary gains	0	—
Extraordinary Losses		
Impairment losses	11	—
Loss on revaluation of shares in affiliates	6	—
Loss on removal of fixed assets	5	4
Others	0	—
Total extraordinary losses	24	4
Income Before Income Taxes	2,613	2,871
Income Taxes – Current	672	1,051
Income Taxes – Deferred	560	278
Total Income Taxes	1,232	1,330
Net Income	1,381	1,541

(3) Statements of cash flows

(Millions of yen)

	3Q FY 2010 (from April 1, 2009 to December 31, 2009)	3Q FY 2011 (from April 1, 2010 to December 31, 2010)
Cash Flows from Operating Activities		
Income before income taxes	10,531	9,281
Depreciation	1,053	1,070
Amortization of goodwill	1,148	1,139
Impairment losses	30	—
Change amount attributable to the application of the accounting standard for asset retirement obligations	—	400
Increase (decrease) in allowance for doubtful accounts	(21)	(29)
Increase (decrease) in reserve for employees' bonuses	(878)	(491)
Increase (decrease) in allowance for early subscription cancellations	(11)	16
Increase (decrease) in allowance for employees' retirement benefits	(150)	(6)
Interest and dividend income	(8)	(6)
Interest expenses	203	136
Loss (gain) on sales of fixed assets	(1)	(23)
Loss on removal of fixed assets	10	16
Decrease (increase) in trade receivable	8,829	5,826
Decrease (increase) in accounts receivable – other	2,627	(837)
Decrease (increase) in inventories	(825)	(2,530)
Increase (decrease) in trade payable	(6,475)	(6,776)
Increase (decrease) in other accounts payable	(2,276)	827
Others	794	247
Subtotal	14,580	8,260
Interests and dividends received	8	6
Interests paid	(216)	(144)
Income taxes paid	(7,785)	(5,852)
Net cash provided by operating activities	6,587	2,269
Cash Flows from Investing Activities		
Payment for purchase of property, plant and equipment	(753)	(566)
Proceeds from sales of property, plant and equipment	18	47
Payment for purchase of software	(221)	(224)
Payment for acquisition of shares in affiliates	—	(200)
Payment for loans receivable	(0)	(3)
Proceeds from collection of loans receivable	108	19
Payment for leasehold deposits	(170)	(101)
Proceeds from return of leasehold deposits	439	238
Others	(92)	76
Net cash used in investing activities	(672)	(714)

(Millions of yen)

	3Q FY 2010 (from April 1, 2009 to December 31, 2009)	3Q FY 2011 (from April 1, 2010 to December 31, 2010)
Cash Flows from Financing Activities		
Net increase (decrease) in short-term loans payable	300	7,600
Proceeds from long-term debt	—	2,000
Expenses for repayment of long-term loans payable	(4,496)	(8,496)
Cash dividends paid	(3,068)	(2,928)
Others	0	0
Net cash used in financing activities	(7,264)	(1,823)
Increase (Decrease) in Cash and Cash Equivalents	(1,349)	(268)
Cash and Cash Equivalents at Beginning of Period	2,690	1,465
Cash and Cash Equivalents at End of Period	1,341	1,197

(4) Notes on going concern assumption

Not applicable.

(5) Segment information

[Segment information by industry segment]

3Q FY 2010 (from April 1, 2009 to December 31, 2009)

(Millions of yen)

	Mobile Telecommunications Business	Network Communications Business	Prepaid Settlement Services Business and Other Business	Total
Net Sales	353,247	15,694	39,973	408,915
Operating Income	7,948	2,368	428	10,746

Note: 1. The Company categorizes operations based on similarities in areas such as merchandize type and sales methods, earnings totals by category, and related assets.

2. Principal merchandise by business operation

1) Mobile Telecommunications Business: mobile phones, PHS

2) Network Communications Business: MYLINE, FTTH

3) Prepaid Settlement Services Business and Other Business: mobile prepaid cards, electronic money, contents

[Segment information by region]

3Q FY 2010 (from April 1, 2009 to December 31, 2009)

Omitted as the Company maintains no branch offices in countries and regions outside Japan.

[Overseas sales]

3Q FY 2010 (from April 1, 2009 to December 31, 2009)

Omitted as the Company has no overseas sales.

1. Summary of reportable segments

Reportable segments of the Company are structural units of the Company for which segregated financial information is available and which are periodically reviewed to enable directors to take decisions on the allocation of management resources and assess operating performance.

The Company forms three reportable segments — Mobile Telecommunications Business, the Network Communications Business, and the Prepaid Settlement Services Business and Other Business — structured by industry segment.

The Mobile Telecommunications Business segment engages in the business of intermediation for subscriber agreements for communications services such as mobile phones and in the business of selling mobile phones.

The Network Communications Business segment engages in the business of intermediation for communications service user agreements for fixed phone lines such as MYLINE services for individuals and corporations and in the business of selling optical fiber line such as FTTH services associated with broadband propagation. The Prepaid Settlement Services Business and Other Business segment engages in the business of selling products related to the electronic settlement of electronic money using PIN (Personal Identification Number)-based merchandise sales systems through major convenience store operators throughout Japan, as well as international telephone calls, and selling of prepaid-type mobile phones and prepaid cards.

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

3Q FY 2011 (from April 1, 2010 to December 31, 2010)

(Millions of yen)

	Mobile Telecommunications Business	Network Communications Business	Prepaid Settlement Services Business and Other Business	Total
Net Sales	355,344	15,727	57,223	428,295
Segment Income (Operating Income)	7,202	1,798	719	9,721

3. Total income 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 aggregated income of reportable segments is consistent with the operating income reported in the statement of income.

4. Information by reportable segment on impairment losses on fixed assets or information on goodwill, etc.
Not applicable.

(Additional information)

Beginning with the first quarter, the Company applies the “Accounting Standard for Segment Information Disclosure” (Business Accounting Standard No. 17; March 27, 2009) and the “Application Guideline concerning the Accounting Standard for Segment Information Disclosure” (Business Accounting Standard Application Guideline No. 20; March 21, 2008).

(6) Notes on significant changes in shareholders’ equity

Not applicable.

(7) Other notes

(Concerning the statement of income)

3Q FY 2011 (from April 1, 2010 to December 31, 2010)

Selling, general and administrative expenses and corresponding amounts are as follows.

	(Millions of yen)
Freight	409
Personnel expenses for leased staff	3,567
Directors' compensations	144
Employees' salaries	3,843
Salaries for temporary personnel	9,654
Provision for bonuses	757
Rent expenses on real estates	3,069
Depreciation	1,070
Business consignment expenses	670
Amortization of goodwill	1,139
Other expenses	10,066

4. Other Information

(1) Net sales and operating income by business segment

(Millions of yen)

		3Q FY 2010 (from April 1, 2009 to December 31, 2009)	3Q FY 2011 (from April 1, 2010 to December 31, 2010)	YoY change (%)
Mobile Telecommunications Business	Net sales	353,247	355,344	0.6
	Operating income	7,948	7,202	(9.4)
Network Communications Business	Net sales	15,694	15,727	0.2
	Operating income	2,368	1,798	(24.1)
Prepaid Settlement Services Business and Other Business	Net sales	39,973	57,223	43.2
	Operating income	428	719	68.0
Total	Net sales	408,915	428,295	4.7
	Operating income	10,746	9,721	(9.5)