

Consolidated 3Q Financial Results for FY ending March 2015 (Nine Months ended Dec. 2014)

February 10, 2015



Mobile Telecommunication Business



Solution Marketing Business



Settlement Service & Other Business

Disclaimer

*This material contains statements about the future performance of T-Gaia, which are based on management's assumptions and beliefs taking information currently available into consideration. Therefore, please be advised that T-Gaia's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors, including general economic conditions in T-Gaia's principal markets as well as other factors detailed from time to time

Summary of 3Q Financial Results

(Unit:0.1 billion yen)	13/3 3Q Results	14/3 3Q Results	15/3 3Q Results	Change from 13/3 3Q	Change from 14/3 3Q	15/3 Full-year Forecasts	Achievement Ratio
Net Sales	5,438.1	5,094.2	4,640.9	85.3%	91.1%	7,200.0	64.5%
Gross Margin	492.5	457.2	447.7	90.9%	97.9%	650.0	68.9%
(to Net Sales)	9.1%	9.0%	9.6%	0.5 p	0.6 p	9.0%	—
SGA Expenses	411.4	373.2	350.8	85.3%	94.0%	520.0	67.5%
Operating Income	81.0	83.9	96.9	119.7%	115.4%	130.0	74.6%
(to Net Sales)	1.5%	1.6%	2.1%	0.6 p	0.5 p	1.8%	—
Ordinary Income	79.9	83.4	96.3	120.5%	115.5%	128.0	75.3%
(to Net Sales)	1.5%	1.6%	2.1%	0.6 p	0.5 p	1.8%	—
Net Income	44.1	45.9	53.3	120.9%	116.1%	72.5	73.6%
(to Net Sales)	0.8%	0.9%	1.1%	0.3 p	0.2 p	1.0%	—

Quarterly Gross Margin & Operating Margin Ratio

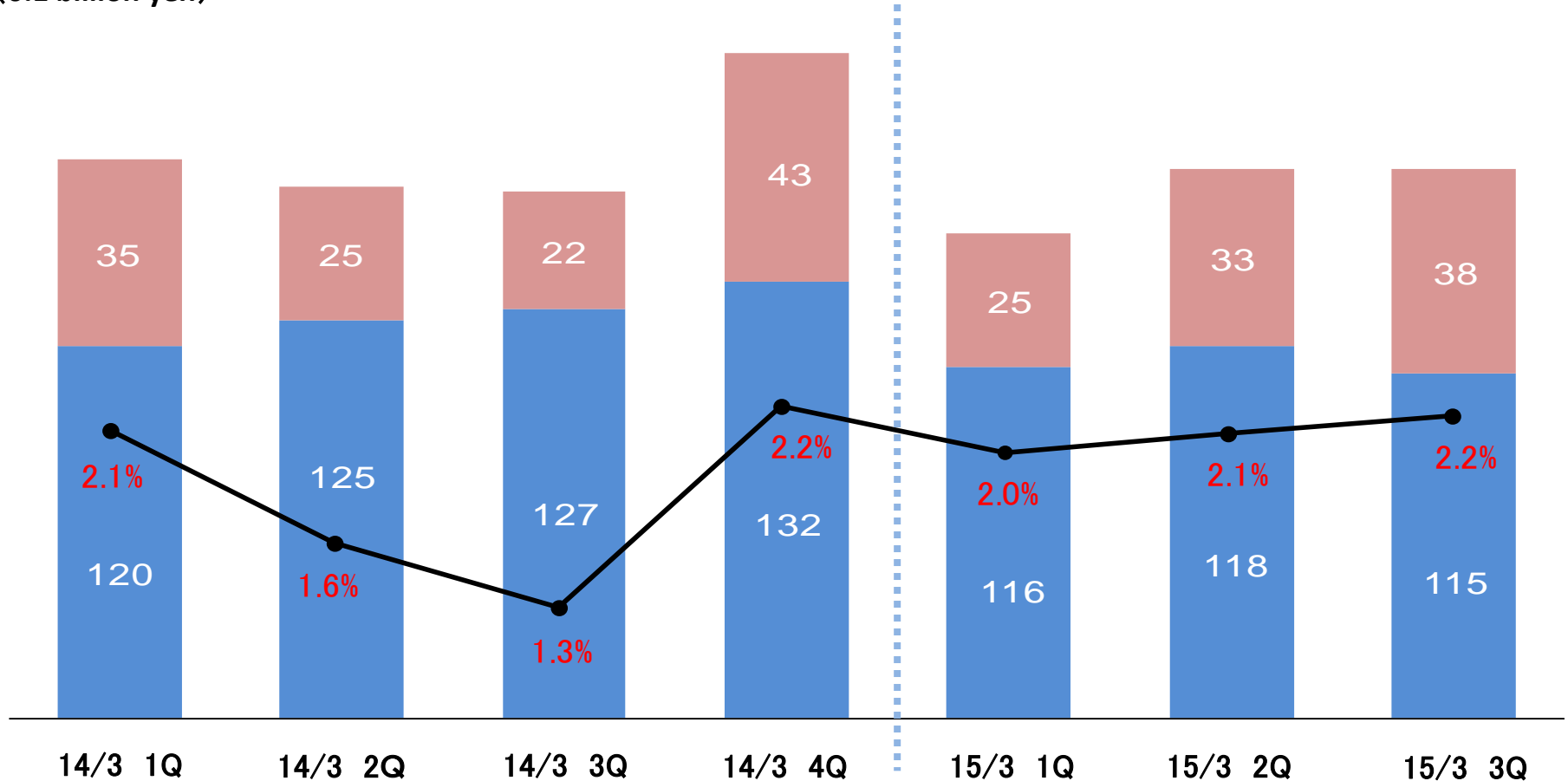
Gross Margin & OPM Ratio

SGA Expenses

Operating Income

OPM Ratio

(0.1 billion yen)



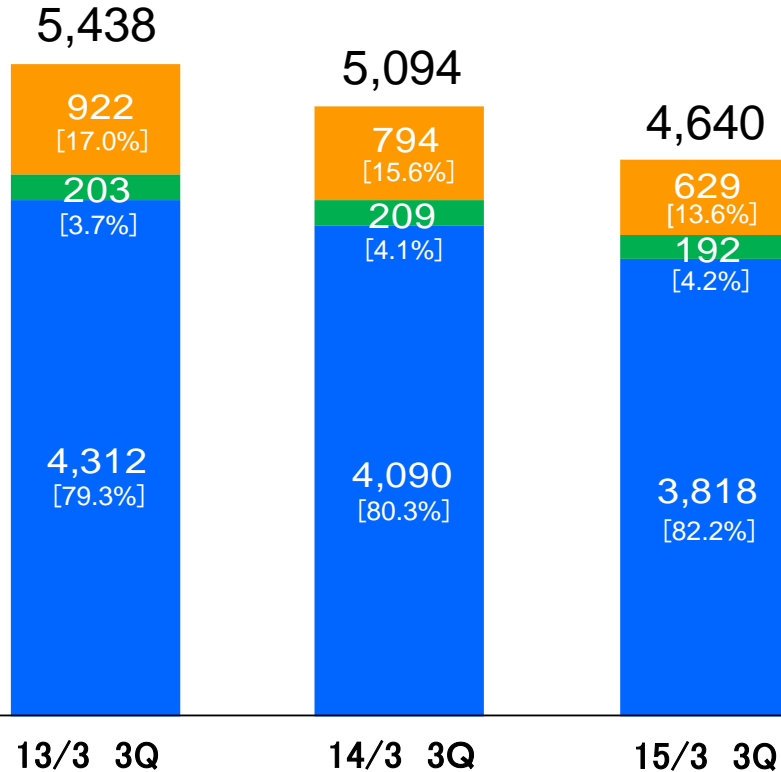
Maintaining a stable profit level by means of the company-wide structural reform

3Q Financial Results by Business Segment

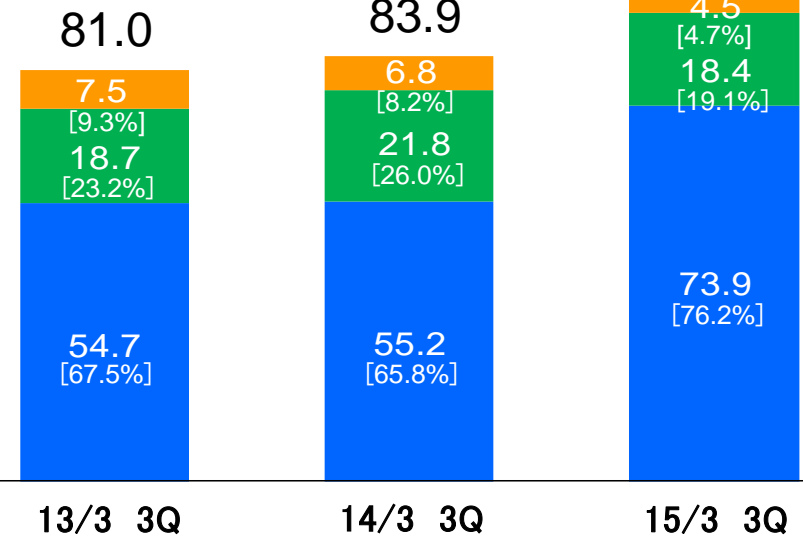
Net Sales

(0.1 billion yen)

■ Mobile-phone Business
 ■ Solution Business
 ■ Settlement Service Business



Operating Income



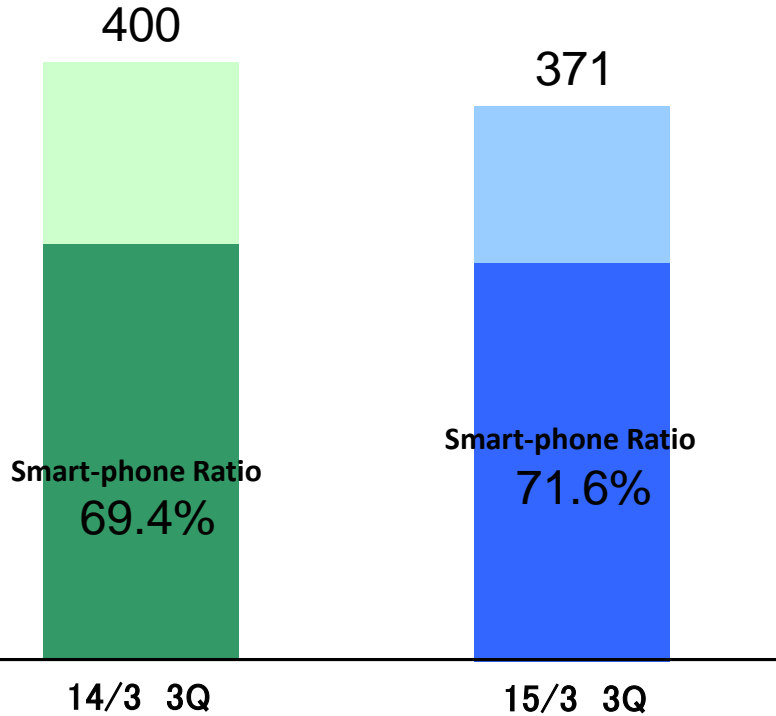
Net sales decreased due to decline of mobile-phone sales volume in 1Q and difference of calculation method between PIN products & Gift Cards in Settlement Service

Operating income has improved through the structural reform including company-wide promotion of operational efficiency

Company-wide Unit Sales

Mobile-phone Unit Sales

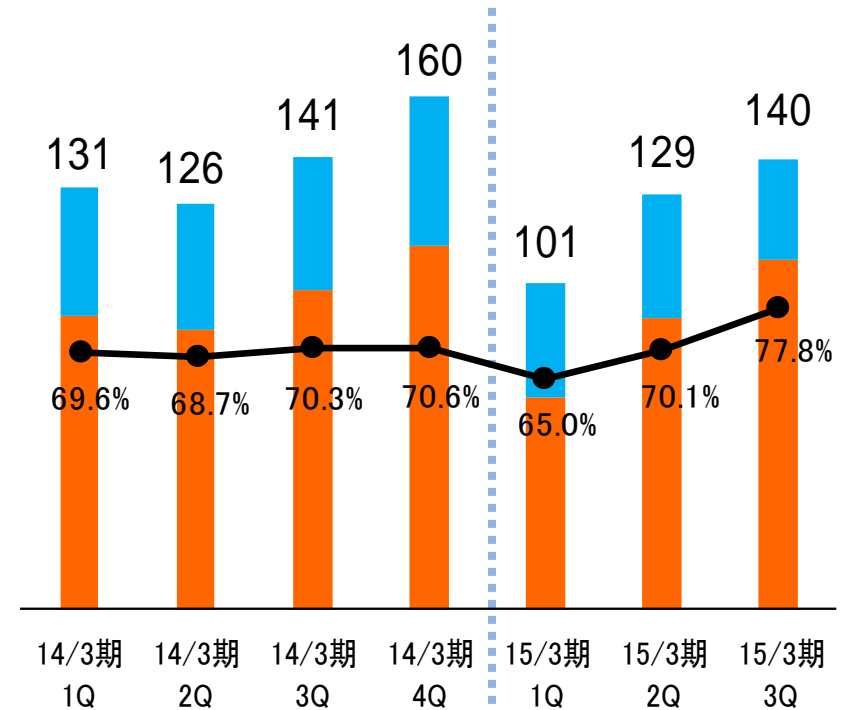
(10 thousand units)



Unit Sales on a Quarterly basis

■ Smart-phone Unit Sales
 ■ Feature-phone Unit Sales
 ● Smart-phone Ratio

(10 thousand units)



※ Including Wi-Fi models

Though unit sales decreased mainly due to the backlash after the demand rush at the end of the previous fiscal year, started on a recovery trend since the 15/3 2Q

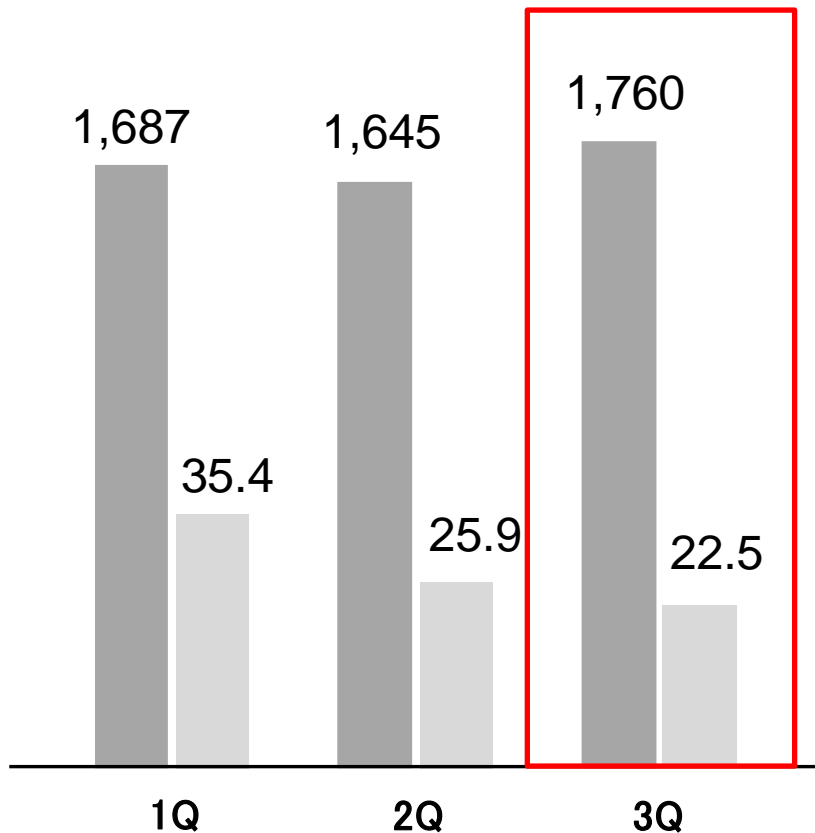
Comparison on a Quarterly basis

Quarterly Composition

(0.1 billion yen)

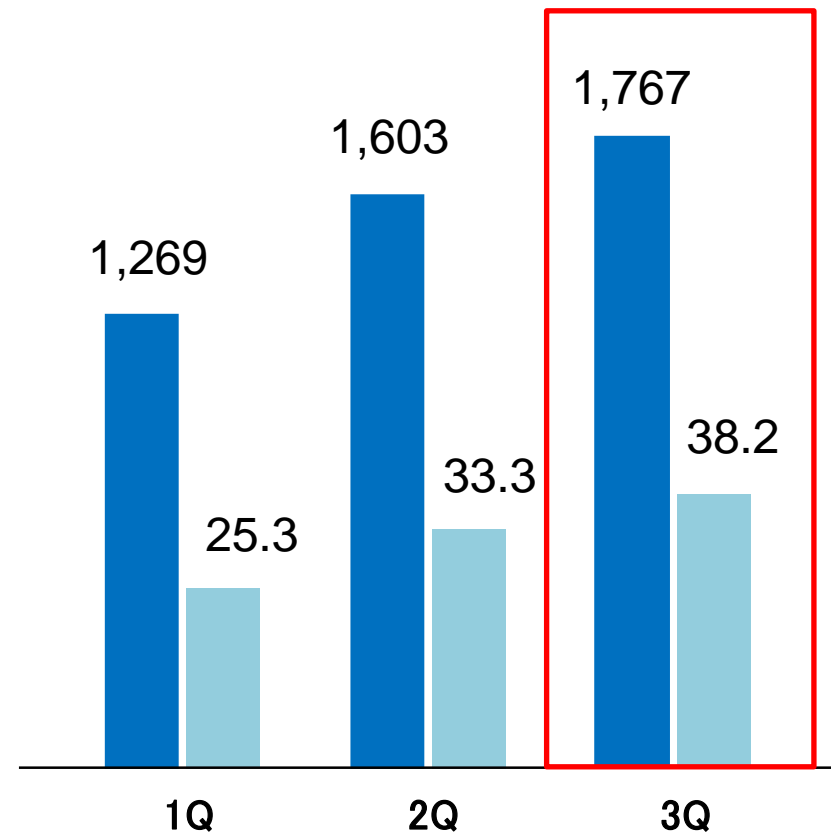
14/3

■ Net Sales ■ Operating Income



15/3

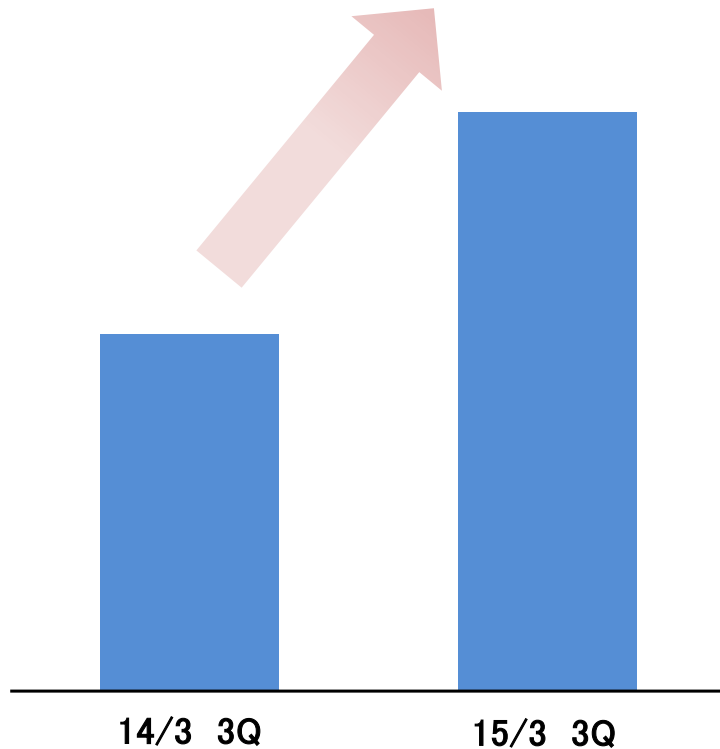
■ Net Sales ■ Operating Income



15/3Q VS 14/3Q: Operating Income Increased by Approx. 70%

Tablet Unit Sales & Net Sales of Related Products

Tablet Unit Sales

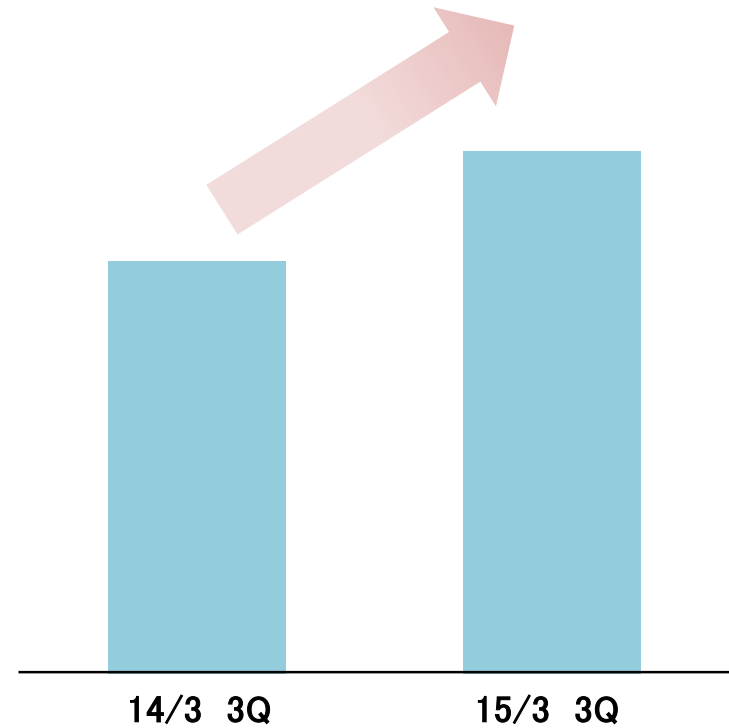


※ Including Wi-Fi models

Increased by approx.
160% on a YoY basis

Net Sales of Related Products

*Related Products: Accessory for Smart device, etc.

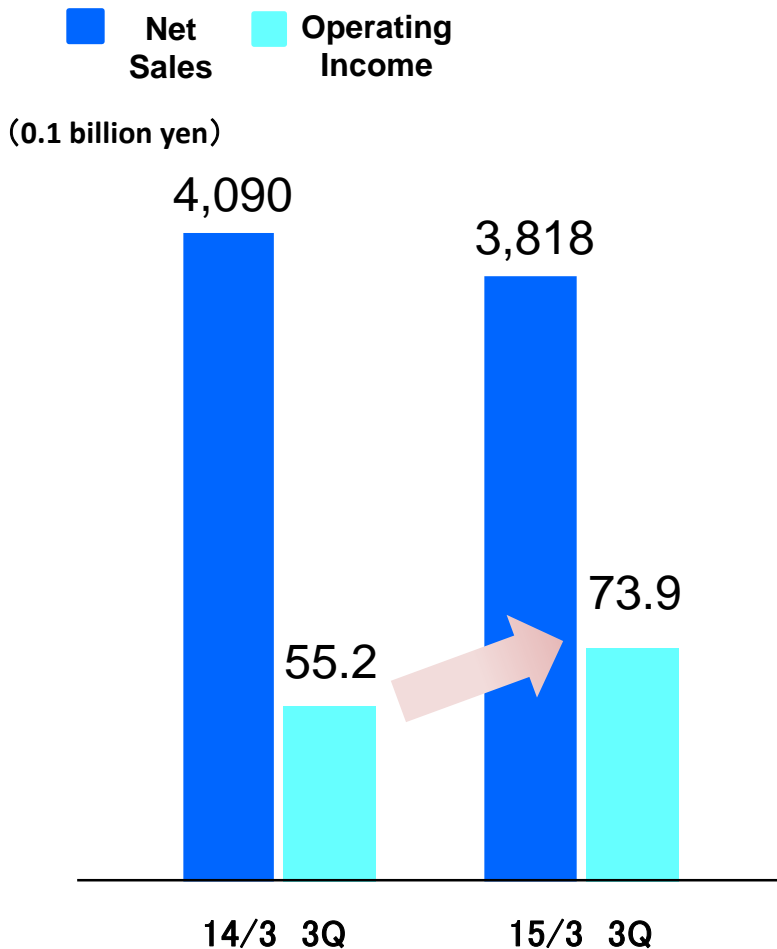


Increased by approx.
130% on a YoY basis

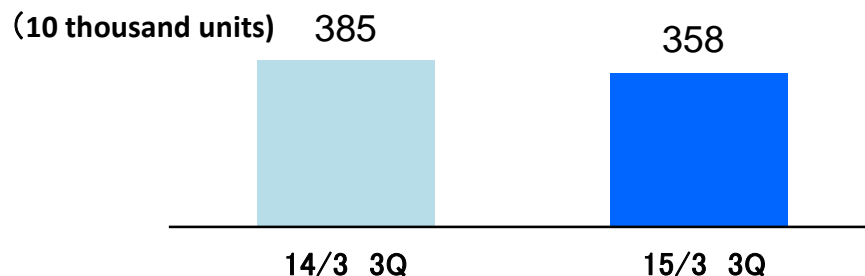


Mobile-Phone Business

Financial Results Comparison

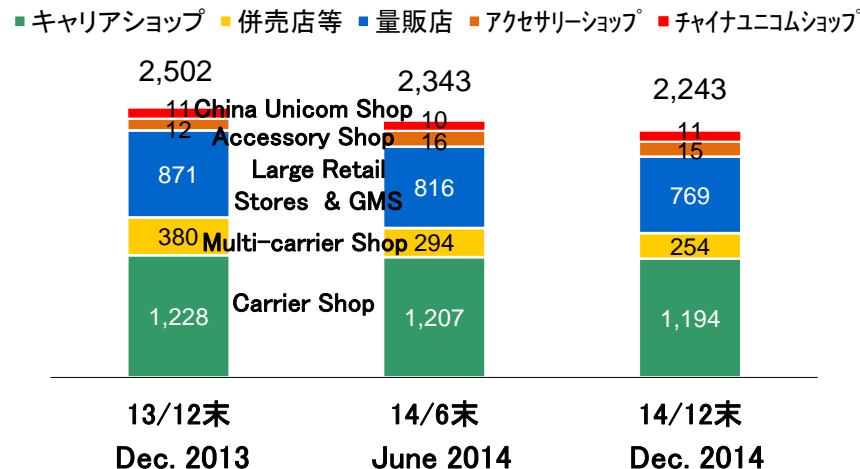


Mobile-phone Unit Sales



※ Including Wi-Fi models

Total No. of Sales Bases



- Net sales decreased due to decline of sales volume in 1Q
- Operating income increased due to expansion of smart-phone related products as well as the effect of the structural reform



About "TG Academy"

Training Program Provided by TG Academy

Purpose	Category	Name of Program
Improvement of Basic Customer Service Level	Basic training	Intensive training for newly hired staff (at Tokyo Head Office)
		Mid-carrier staff training
		Customer service training
		Service quality improvement training
	Stratified training	Training for sub-shop managers, leaders and chiefs
		Training for shop managers
	Response capabilities	Readiness improvement training
	Preparation for qualifying test	Training for passing qualifying test conducted by telecom carriers
Improvement of Sales Skills	Floor management	Floor management training
	Sales skills improvement	Sales skills improvement training

Staff Organization of TG Academy

7 Instructors

Cultivation of Supervisors as Education/Training specialist

55 Supervisors

Provision education/training for Trainers in our corporate/regional headquarters & branch offices

292 Trainers

Provision education/training in each shop
Deployed one trainer at every directly-managed shop

※As of Dec. 31, 2014



Intensive training for newly hired staff (at Tokyo Head Office)

Carrying out group training sessions for sales staff exceeding 200 times (more than doubled from the previous year) based on the systematic program



Promotion of Accessory Shop Business

Total 13 shops in major cities in Japan

(As of Dec. 31, 2014 excluding EC sites)

Smart Labo

- Aeon Mall Natori
- Sendai Clisroad
- Lovela 2
- Matsumoto PARCO
- ATRE Akihabara
- ATRE Kameido

- Aeon Mall Otaka
- Shinsaibashi
- Nishinomiya Gardens
- Okaido Chuo
- Hiroshima Hondori

AppBank Store

- Shinjuku
- Harajuku



Smart Labo Atre Kameido



AppBank Store Shinjuku



Smart Labo Shinsaibashi

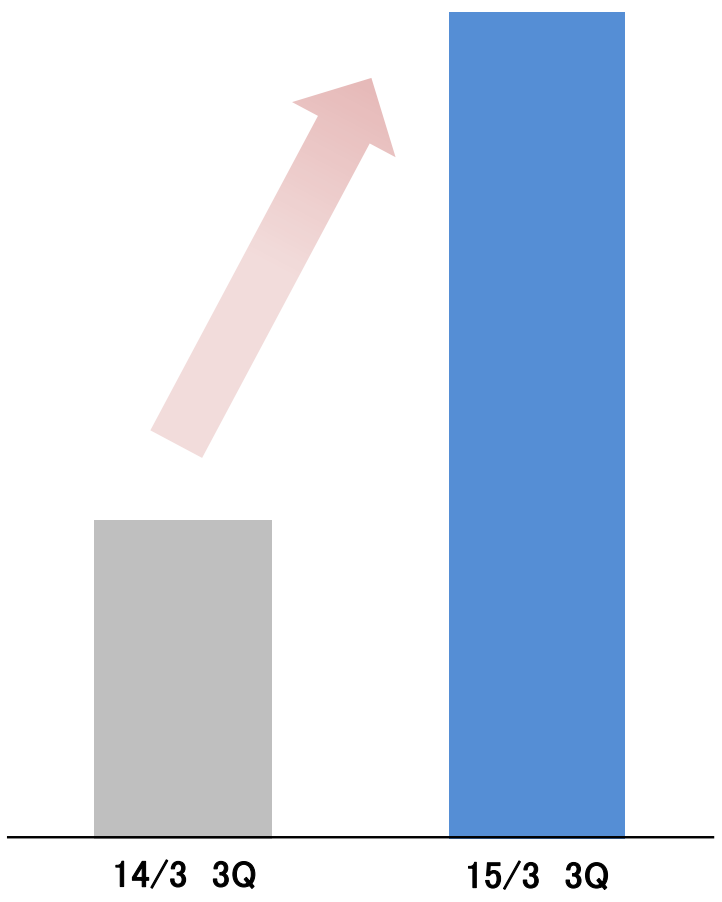


Smart Labo Aeon Mall Otaka

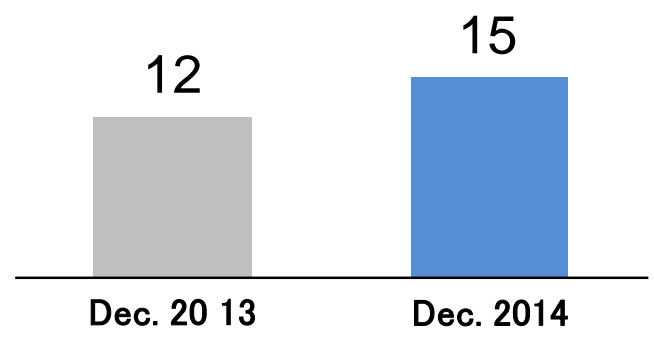


Net Sales in Accessory Shops for Smart Device

Net Sales



No. of Accessory Shops



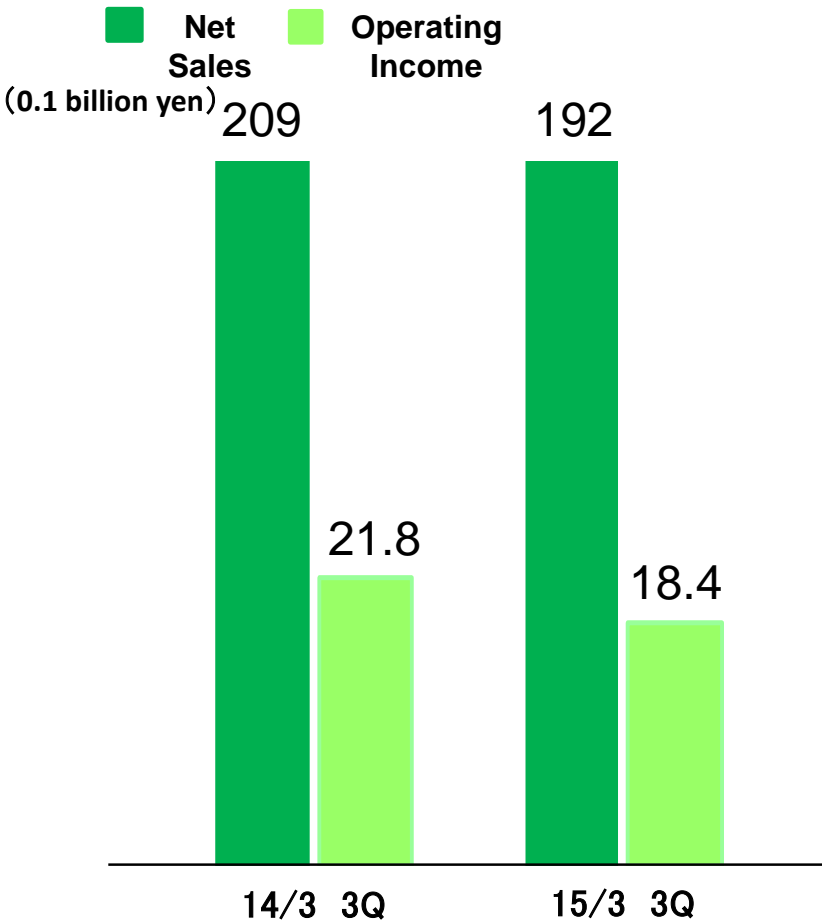
※ Including EC sites

Products sold in Accessory Shops

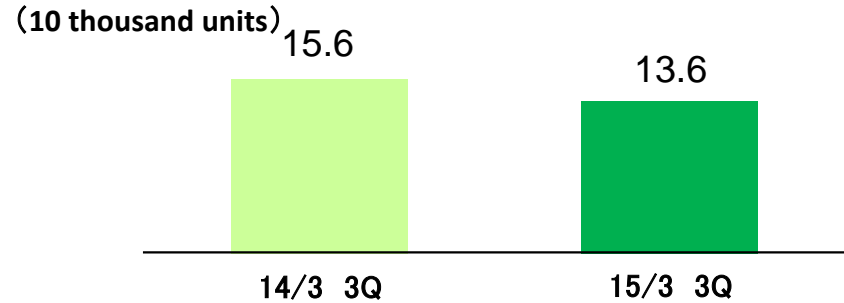


Increased by approx. 2.6times on a YoY basis

Financial Results Comparison

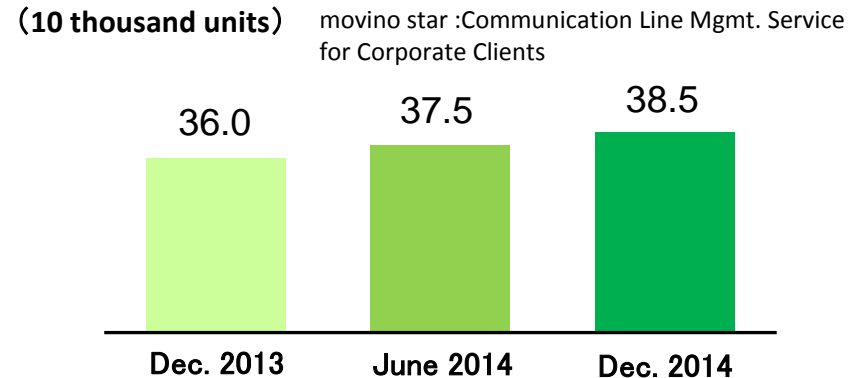


Mobile-phone Sales Units



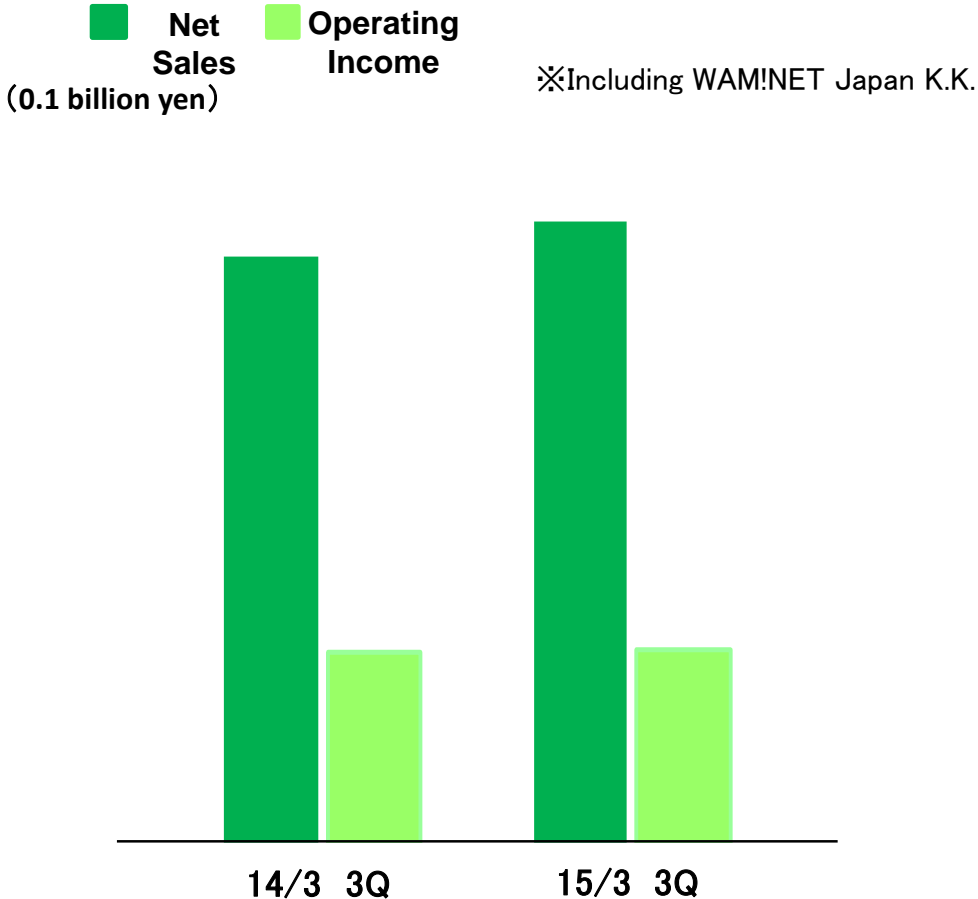
※ Including Wi-Fi models

Total No. of lines subscribing to movino star service



Net income & Operating Income increased on a YoY basis in Mobile Solution for Corporate Clients though Fixed-line Business remained weak

Financial Results Comparison



Both Net Sales & Operating Income increased on a YoY basis

T-Gaia Smart Support

● Offering “T-GAIA Smart SUPPORT” solution package optimized to corporate clients’ needs



Kitting



Cloud



Security



Help Desk



Asset Mgmt.



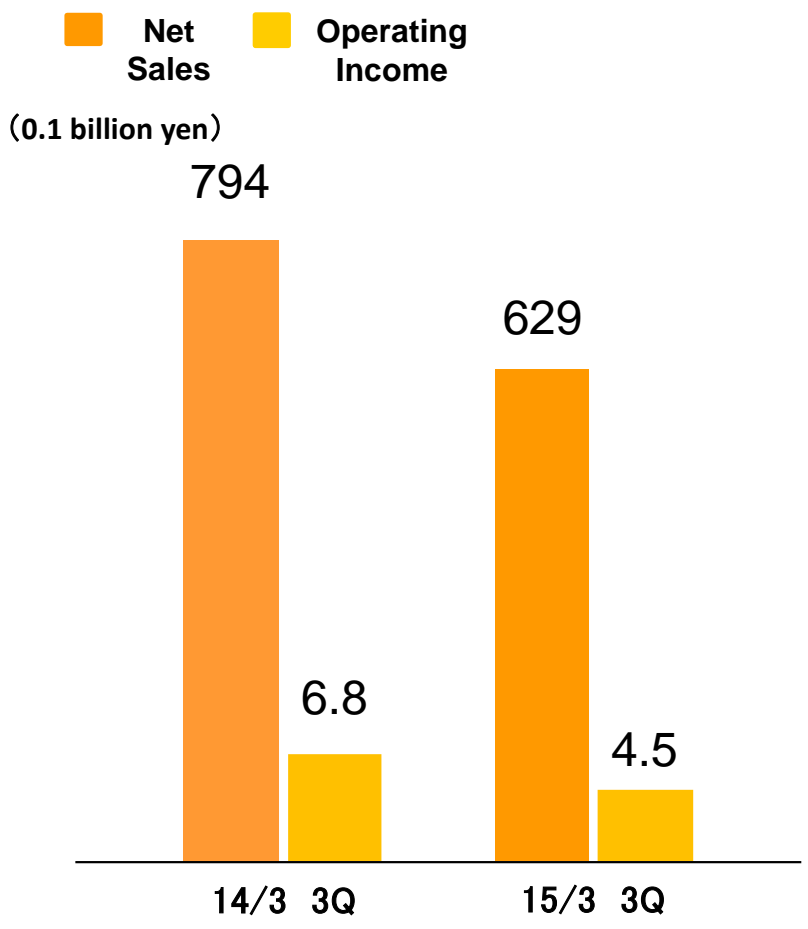
Consulting

Held Jointly a Seminar

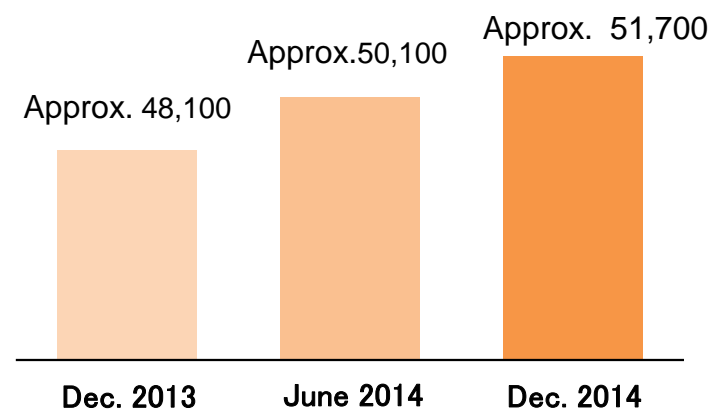
● Held a seminar on “iPad & Office Solution” jointly with Microsoft Co., Ltd.

Settlement Service Business

Financial Results Comparison



Total No. of Convenience stores dealing PIN/Gift Cards



Products sold in our sales channel



※Amazon.co.jp logo is a trademark of Amazon.com, Inc. in the United States and/or other countries.
 ※BitCash is the trademark of BitCash Inc.

- Net sales decreased mainly due to shift from PIN products for which face value is regarded as net sales to Gift Cards that treat only received commissions as sales amount
- Promoted overseas business investment in Shanghai & Singapore
- Started on a recovery trend since the 15/3 3Q

China (Shanghai)

- Operating Eleven China Unicom Shops
(As of Dec. 31, 2014)
- Opened “China Unicom People’s Square” in People’s Square, one of the largest business section in Shanghai
- Newly made an agency agreement with China Mobile, the largest telecom carrier in China, and expanded the function of our “Support Desk for corporate clients” through multi-carrier service
 - Increased the No. of our corporate clients to approx. 100 in Shanghai (As of Dec. 31, 2014)



Singapore

- Gross sales have been steadily grown owing to expansion of product lineups for Gift Cards

Gross Sales of Gift Cards



*Launch in Feb. 2014



New Corporate Philosophy

T G Vision – Corporate Vision of T-Gaia



**Lead the Way toward the Future
& Take a Leap for Tomorrow**

T G Mission

– Corporate Mission of T-Gaia –

- T-Gaia will propose new ways of communication to provide our customers with excitement, delight, and safety.
- T-Gaia will thank its employees as well as their families and provide them with equal opportunities and rewards to challenge something new.
- T-Gaia will develop strong relationships with all the business partners and seek for mutual benefit under the fair and healthy conditions of business transaction.
- T-Gaia will contribute to all societies and regional communities through our global business activities.
- T-Gaia will thank all the stakeholders including our shareholders for their trust and confidence in our practice, and keep enhancing our corporate value.
- As a leading company in the industry, T-Gaia will go ahead of change of the times to develop new markets in addition to expanding our existing businesses.

T G Action

– Our Code of Conduct –

- We always act with a customer-driven attitude.
- We provide the highest-quality service to be appreciated by everyone.
- We keep moving ourselves higher as professionals.
- We respect and compete with each other to develop our infinite potentials.
- We seek for open & constructive communication.
- We value teamwork to achieve the best performance.
- We always act on high ethical standards and strengthen our compliance structure.
- We are not satisfied with our current situation; we keep challenging something new aggressively with our passion and a sense of speed.

Corporate Slogan for FY ending March 2015

“Thorough Hands-on Approach”
“Realization of Smartphone World”

Advancing to the Next Stage



ウェアラブル
Wearable
Appliance

光回線

Optical Fiber

決済

Settlement
Service

アプリ

Application

Consolidated Forecasts for FY ending March 2015

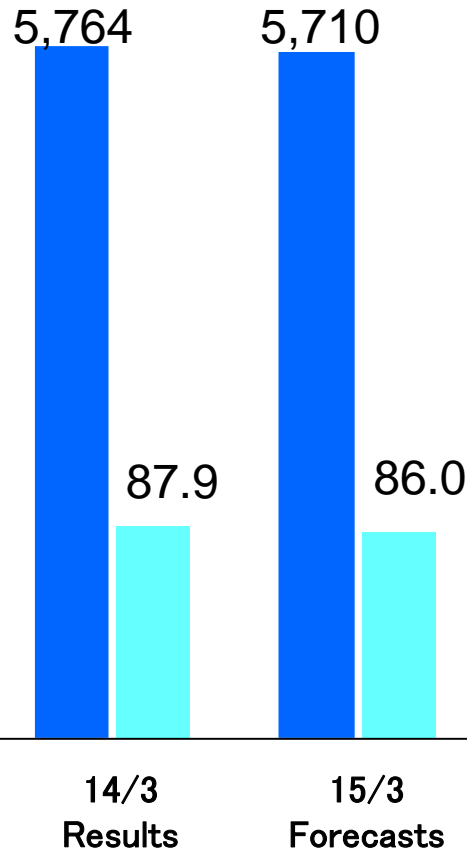
(Unit : 0.1 billion yen)	14/3 Full-year Results	15/3 Full-year Forecasts	Change of Amount	Year-on-Year basis (%)
Net Sales	7,070.0	7,200.0	130.0	101.8%
Gross Margin	633.1	650.0	16.9	102.7%
SGA Expenses	505.5	520.0	14.5	102.9%
Operating Income	127.6	130.0	2.4	101.9%
Ordinary Income	126.6	128.0	1.4	101.1%
Net Income	68.3	72.5	4.2	106.1%
Net Income/share (yen)	86.74	105.52	18.78	121.7%
Dividend /share (yen)	35.00	35.00	0.00	100.0%
Total No. of mobile-phones to sell	560	555	▲ 5	99.1%

Segment Forecasts for FY ending March 2015

Mobile-phone Business

Net Sales Operating Income

(0.1 billion yen)

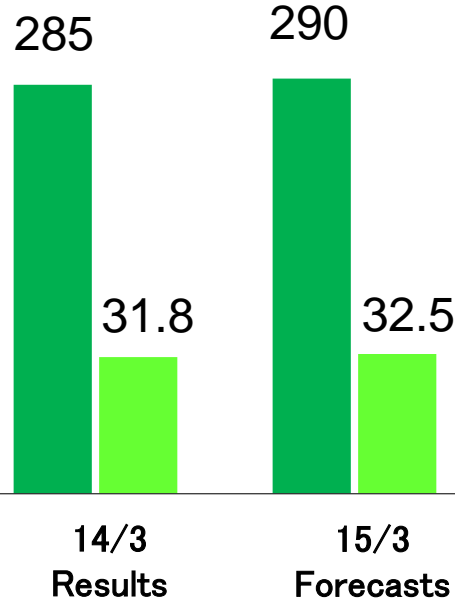


Unit Sales:
5,250 thousand

Solution Business

Net Sales Operating Income

(0.1 billion yen)

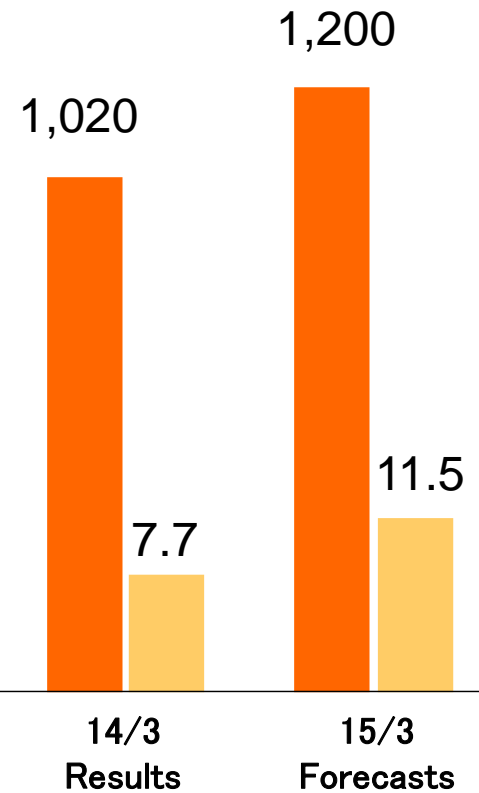


Unit Sales:
300 thousand

Settlement Service & Other Business

Net Sales Operating Income

(0.1 billion yen)

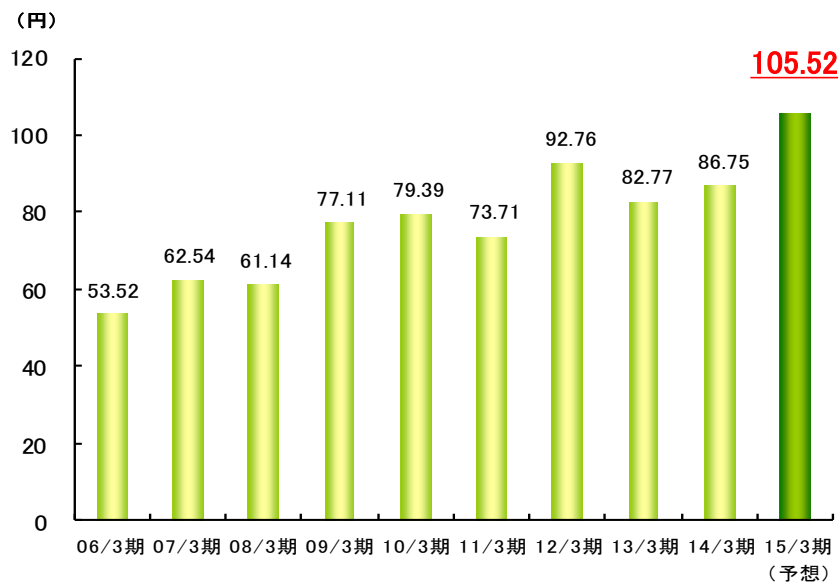


Return to Shareholders: Dividend Policy

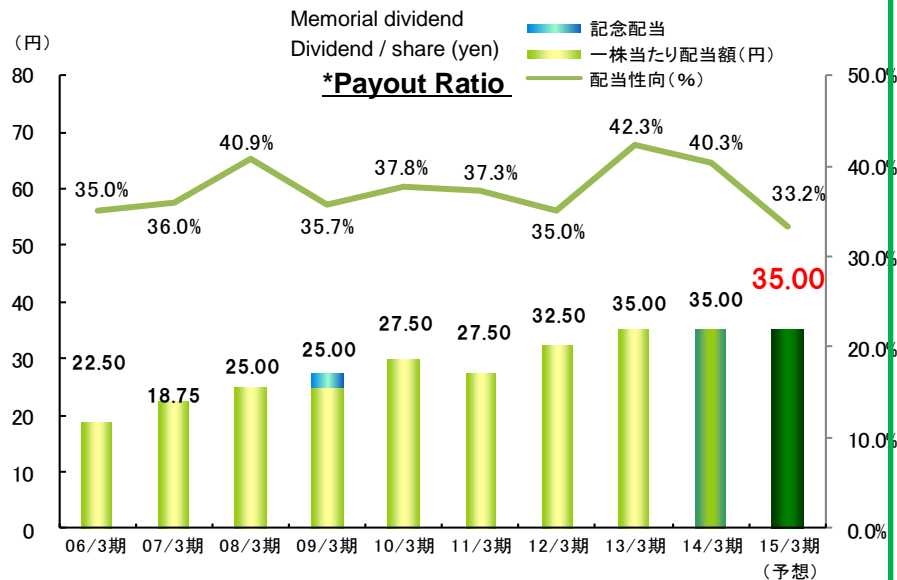
[Basic Dividend Policy]

- Targeting and maintaining Dividend Payout Ratio over 30% Level

☆Net Income per Share



☆Dividend per Share & Payout Ratio



※15/3期(予想)の1株当たり当期純利益および配当性向は14/3期末における発行済株式数(自己株式除く)に基づき算出しております。

< Dividend per Share for FY ending March 2015 (Forecast) >

35.0 yen/share (Interim: 17.5 yen/ Year-end: 17.5 yen)