

Consolidated Interim Financial Results for FY ending March 2015

November 19, 2014



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 Interim Financial Results

| (Unit:0.1 billion yen) | 13/3 1H Results | 14/3 1H Results | 15/3 1H Results | Change from 13/3 1H | Change from 14/3 1H | 15/3 Full-year Forecasts | Achievement Ratio |
|------------------------|-----------------|-----------------|-----------------|---------------------|---------------------|--------------------------|-------------------|
| Net Sales | 3,492.5 | 3,333.3 | 2,873.4 | 82.3% | 86.2% | 7,200.0 | 39.9% |
| Gross Margin | 329.7 | 307.6 | 293.6 | 89.1% | 95.5% | 650.0 | 45.2% |
| (to Net Sales) | 9.4% | 9.2% | 10.2% | — | — | 9.0% | — |
| SGA Expenses | 275.4 | 246.2 | 234.9 | 85.3% | 95.4% | 520.0 | 45.2% |
| Operating Income | 54.2 | 61.3 | 58.6 | 108.2% | 95.6% | 130.0 | 45.1% |
| (to Net Sales) | 1.6% | 1.8% | 2.0% | — | — | 1.8% | — |
| Ordinary Income | 53.6 | 61.1 | 58.3 | 108.8% | 95.4% | 128.0 | 45.6% |
| (to Net Sales) | 1.5% | 1.8% | 2.0% | — | — | 1.8% | — |
| Net Income | 29.8 | 34.0 | 31.8 | 106.7% | 93.6% | 72.5 | 44.0% |
| (to Net Sales) | 0.9% | 1.0% | 1.1% | — | — | 1.0% | — |

Quarterly Gross Margin & Operating Margin Ratio

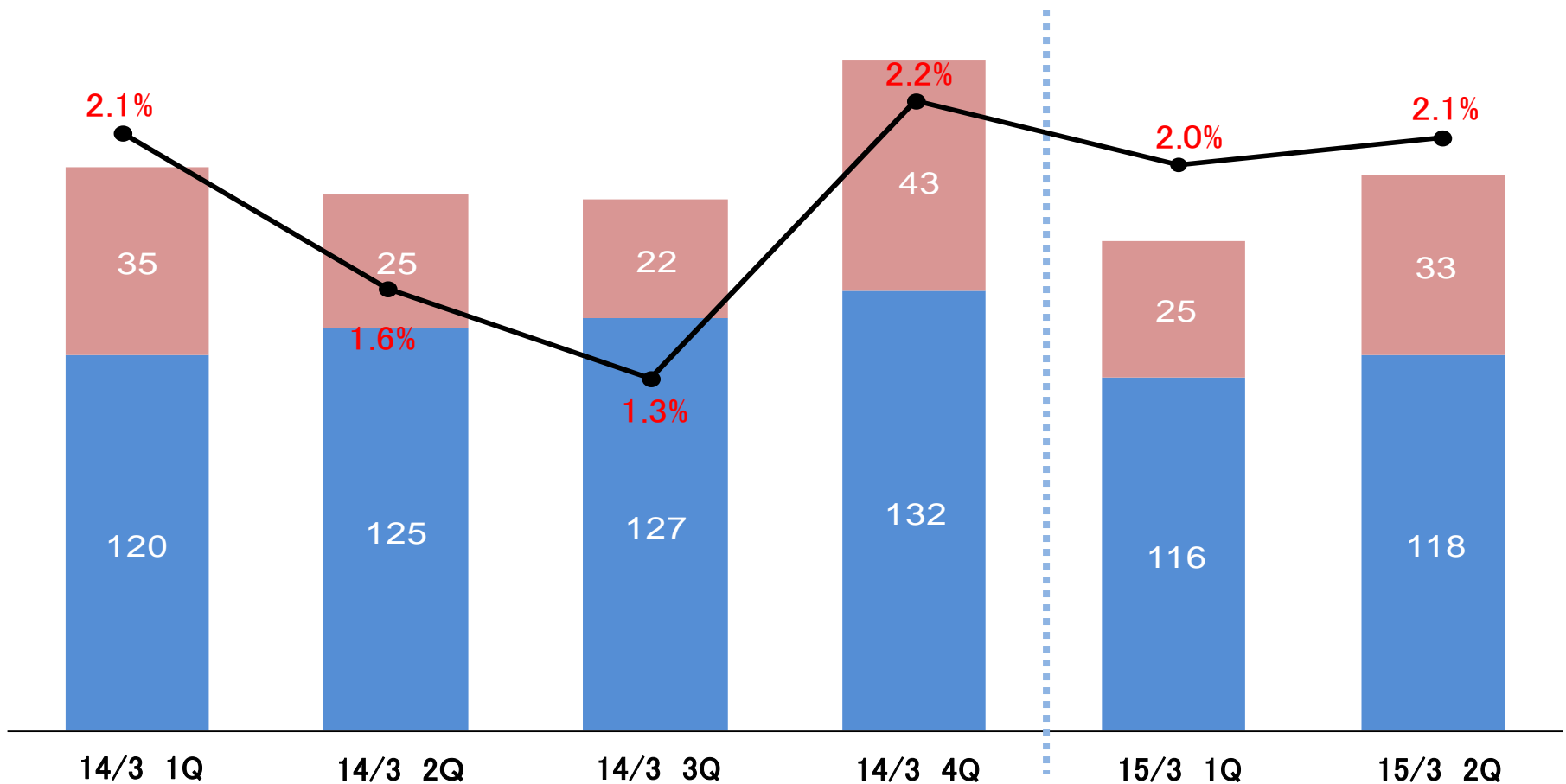
Gross Margin & OPM Ratio

(0.1 billion yen)

SGA Expenses

Operating Income

OPM Ratio



Profitability has improved steadily due to the company-wide structural reform

Interim Financial Results by Business Segment

Net Sales

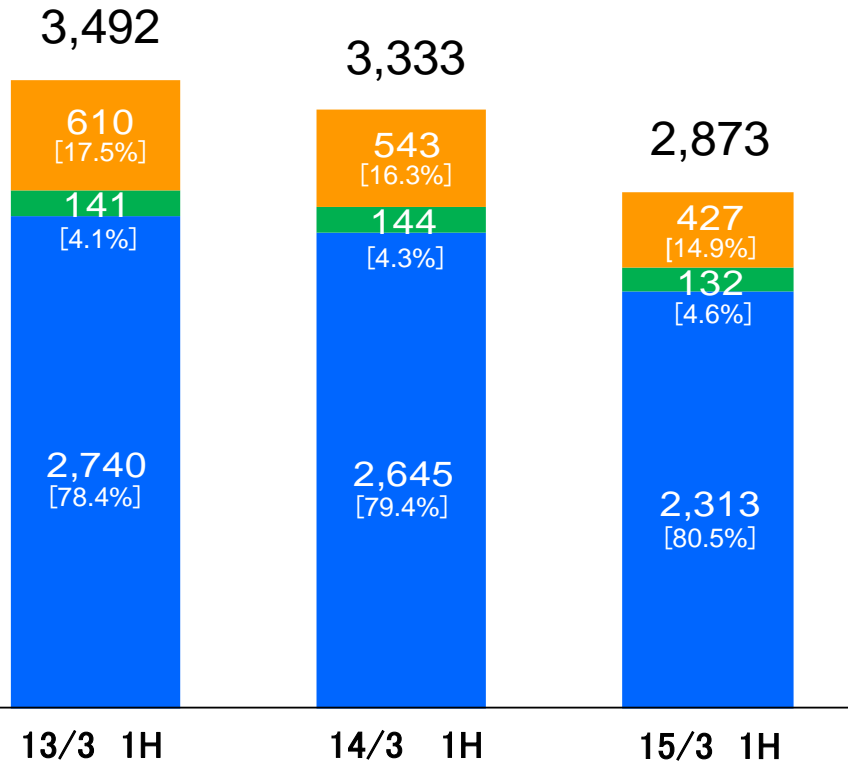
(0.1 billion yen)

Mobile-phone Business

Solution Business

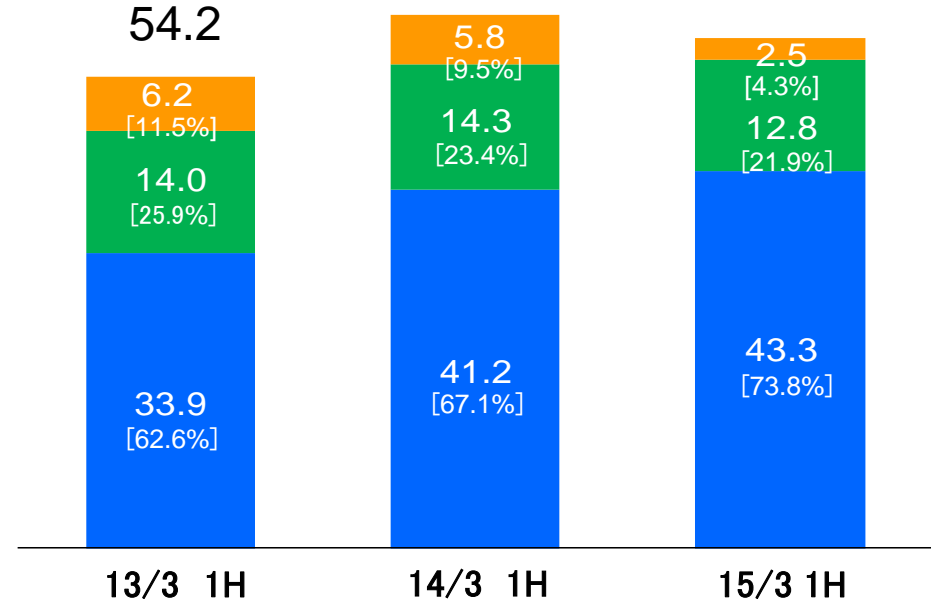
Settlement Service Business

(0.1 billion yen)



Operating Income

(0.1 billion yen)



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

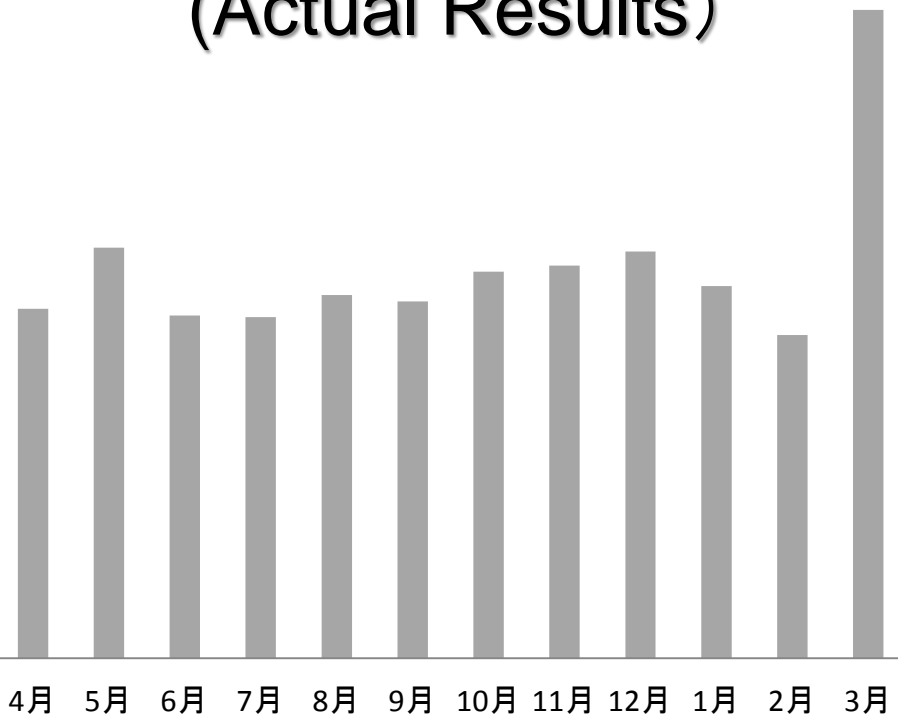
Operating income has improved due to the structural reform including company-wide promotion of operational efficiency

Mobile-phone Unit Sales on a Monthly basis

Mobile-phone Unit Sales

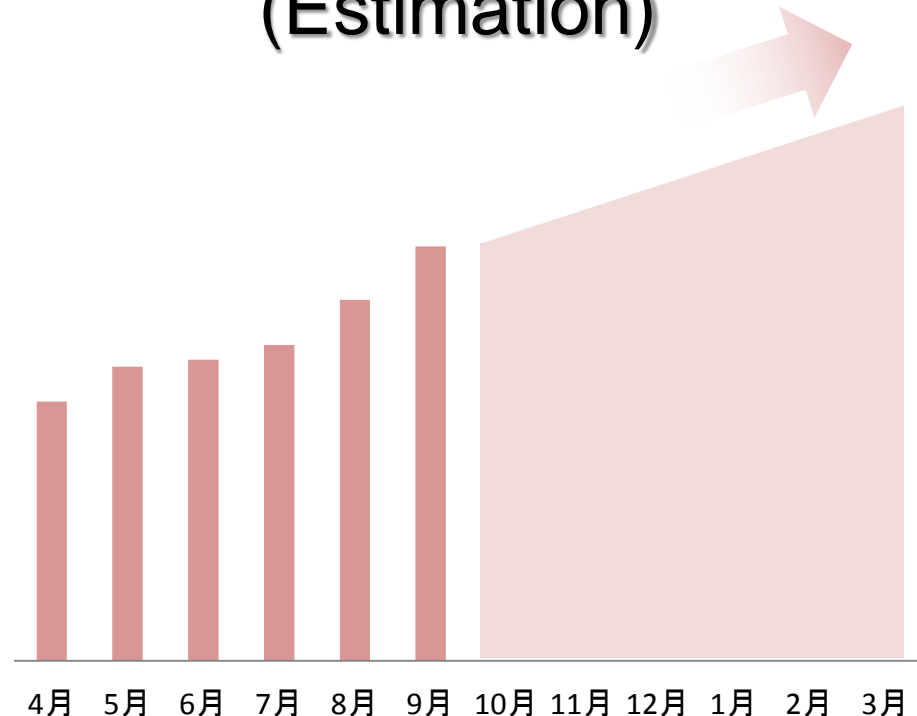
14/3

5.60 million units
(Actual Results)



15/3

5.55 million units
(Estimation)



Mobile-phone unit sales have increased month by month in 15/3 (FY ending March 2015)

※ Including Wi-Fi models

Comparison on a Quarterly basis

Quarterly Comparison

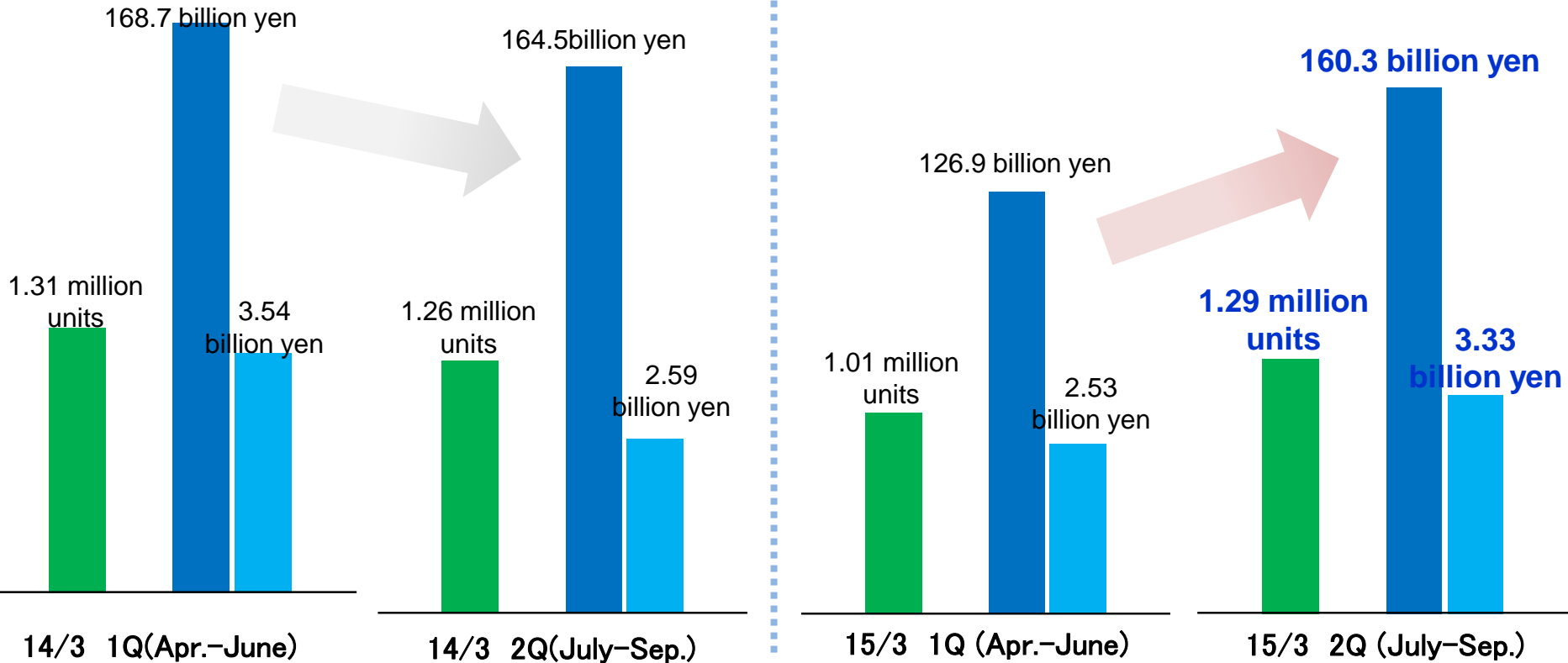
■ Unit Sales

■ Net Sales

■ Operating Income

14/3

15/3



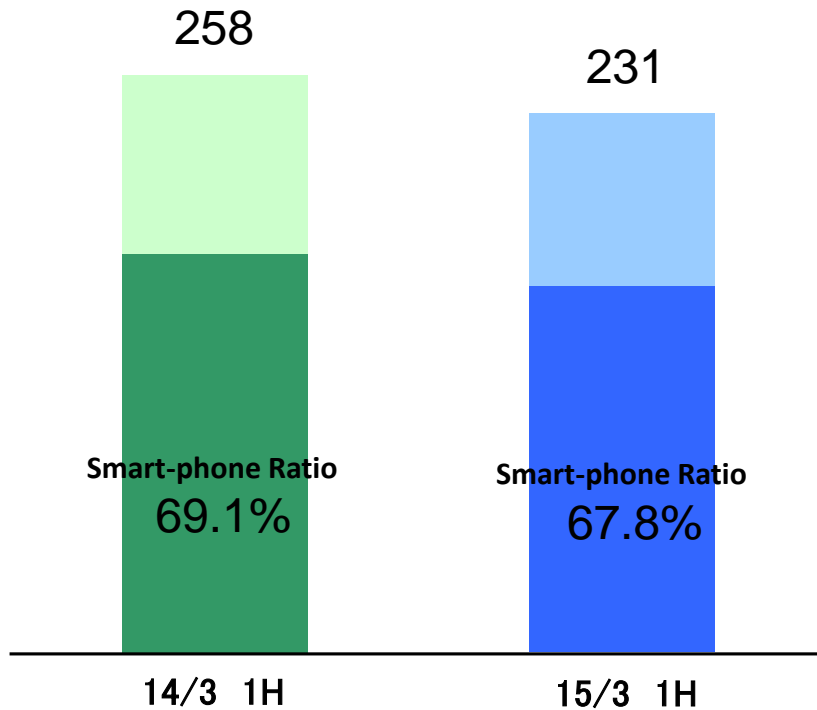
• **15/3 2Q VS 14/3 2Q** ... **Unit Sales**: Increased by more than 2%
Operating Income: Increased by Approx. 30%

• **15/3 2Q VS 15/3 1Q** ... **Unit Sales & Net Sales & Operating Income**: Increased by Approx. 30%

Company-wide Unit Sales

Unit Sales

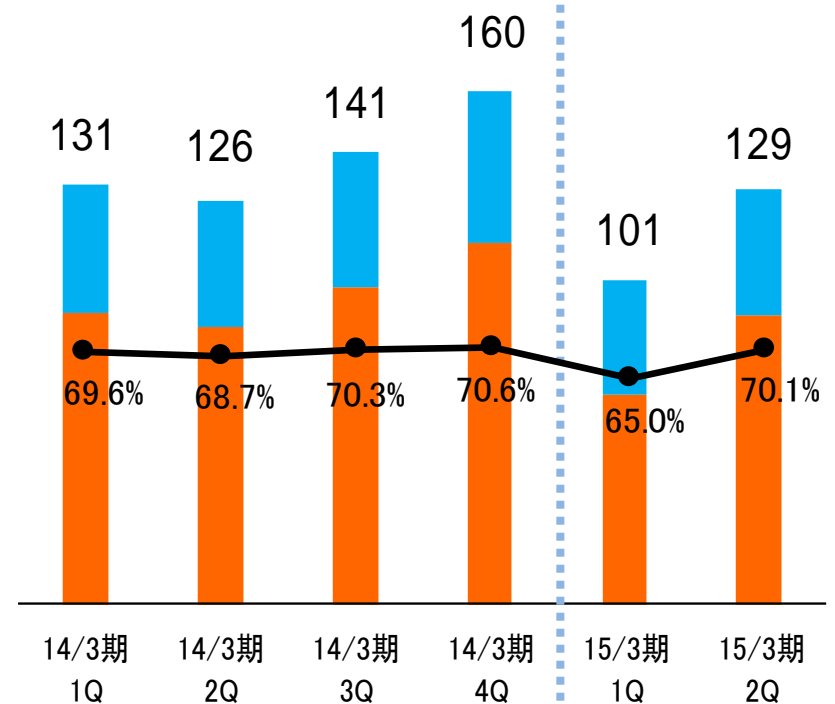
(10 thousand units)



Unit Sales on a Quarterly basis

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

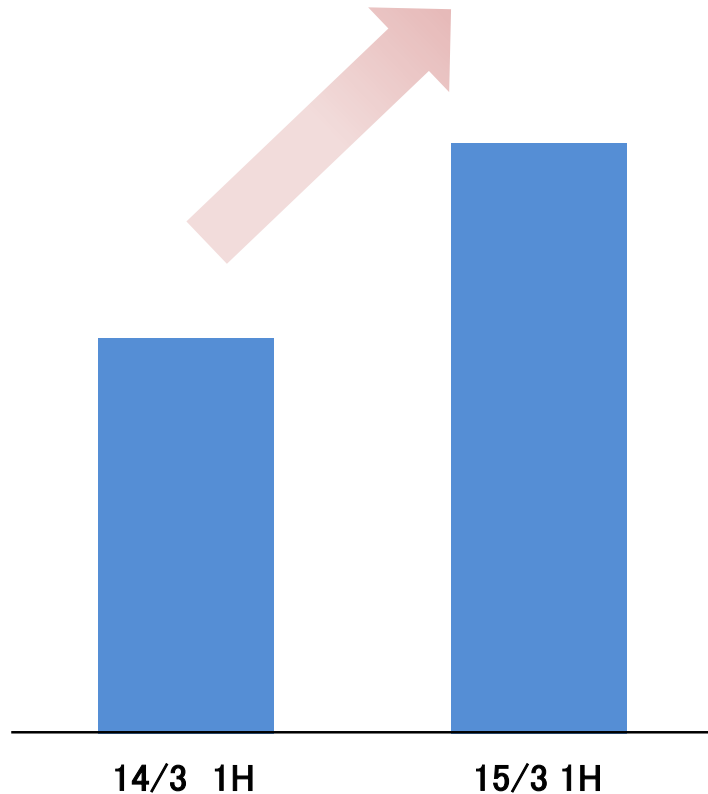
(10 thousand units)



Unit sales decreased due to the backlash after the demand rush at the end of the previous fiscal year and the continued optimization of sales channel

Tablet Unit Sales & Net Sales of Related Products

Tablet Unit Sales

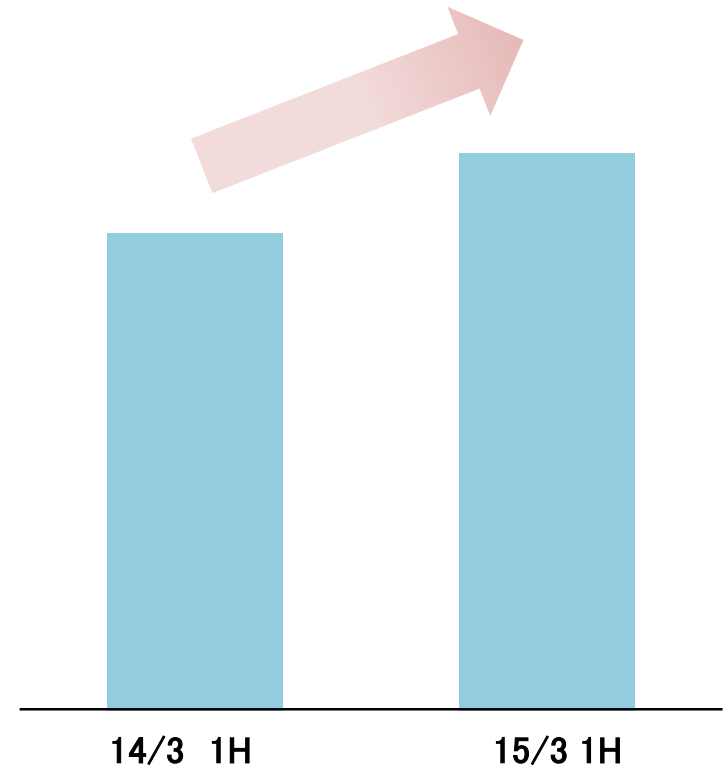


※ Including WiFi models

Increased by approx. 50%
on a YoY basis

Net Sales of Related Products

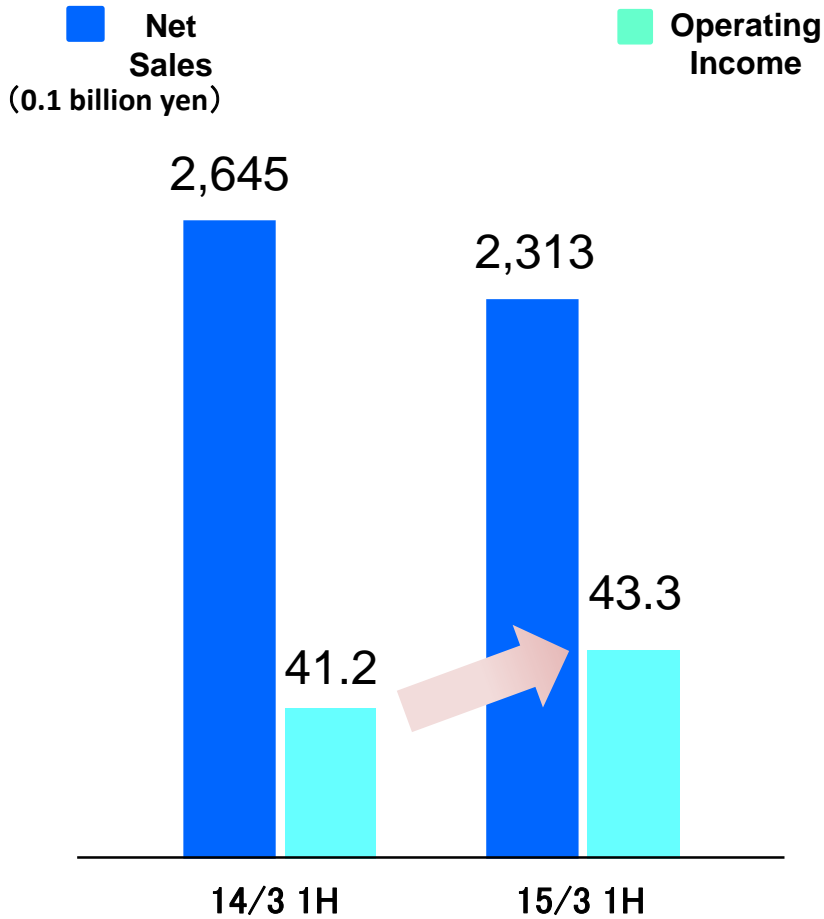
Related Products :Accessory for Smart-phones etc.,



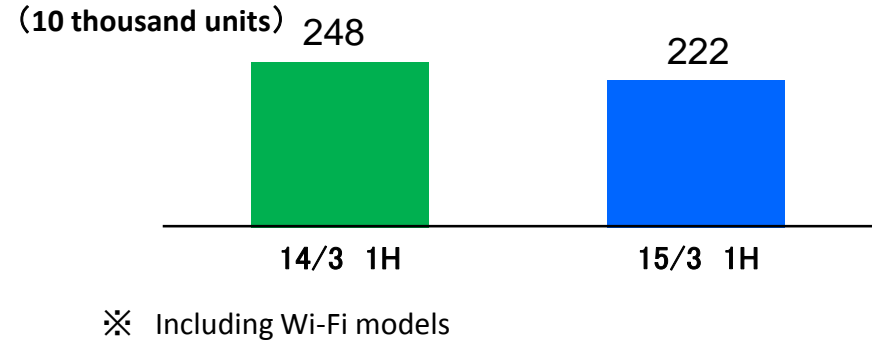
Increased by approx. 20%
on a YoY basis

Mobile-phone Business

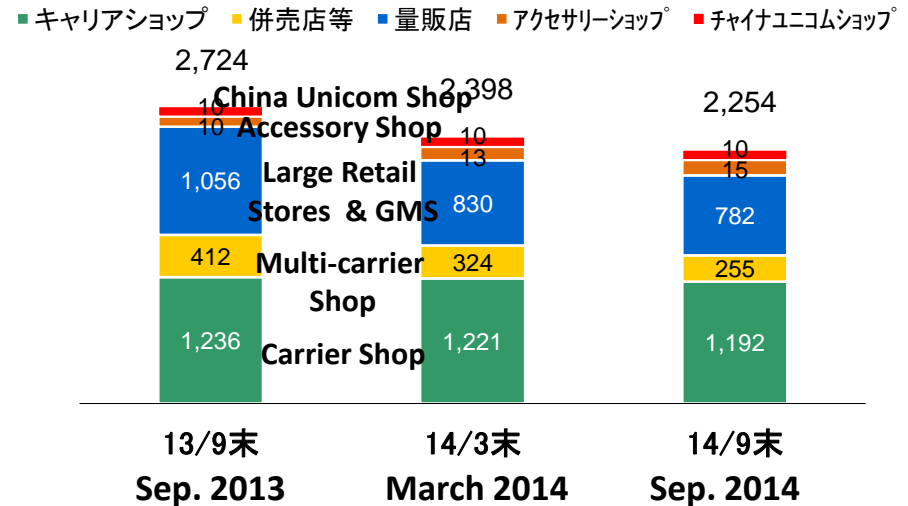
Financial Results Comparison



Mobile-phone Unit Sales



Total No. of Sales Bases



- Net sales decreased due to decline of sales volume
- Operating income increased due to expansion of smart-phone related products and effect of the structural reform

About “TG Academy”

Action Plan & Effect of TGA

<Action Plan>

- Strengthening of new sales staff training
- Provision of upskilling training & support for acquiring telecom carriers’ qualification
- Summarization of best practice of sales staff & sharing information company-wide

<Effect >

- Improvement of retention rate & motivation of new sales staff
- Enhancement of sales skill
Customer Satisfaction
- Improvement of service quality



Structure of TG Academy

| | |
|------------|---|
| Instructor | Cultivation of Supervisors as Education/Training specialist |
| Supervisor | Provision education/training for Trainers in our corporate/regional headquarters & branch offices |
| Trainer | Provision education/training in each shop Deployed one trainer at every directly-managed shop |

| Staff Organization | Sep. 2013 | Sep. 2014 |
|-------------------------------|------------|------------|
| Instructor | 4 | 7 |
| Supervisor | 38 | 42 |
| Trainer | 258 | 279 |
| Total (Inc. Principal) | 301 | 329 |

Aggressive Investment in Human Resource Development

Expansion of Accessory Shop Business

Smart Labo shops Newly-opened in 1H

- April 11: “Smart Labo Aeon Mall Otaka”



- June 13: “Smart Labo Atre Kameido”



- July 18 (Renewal Open):
“Smart Labo Shinsaibashi”

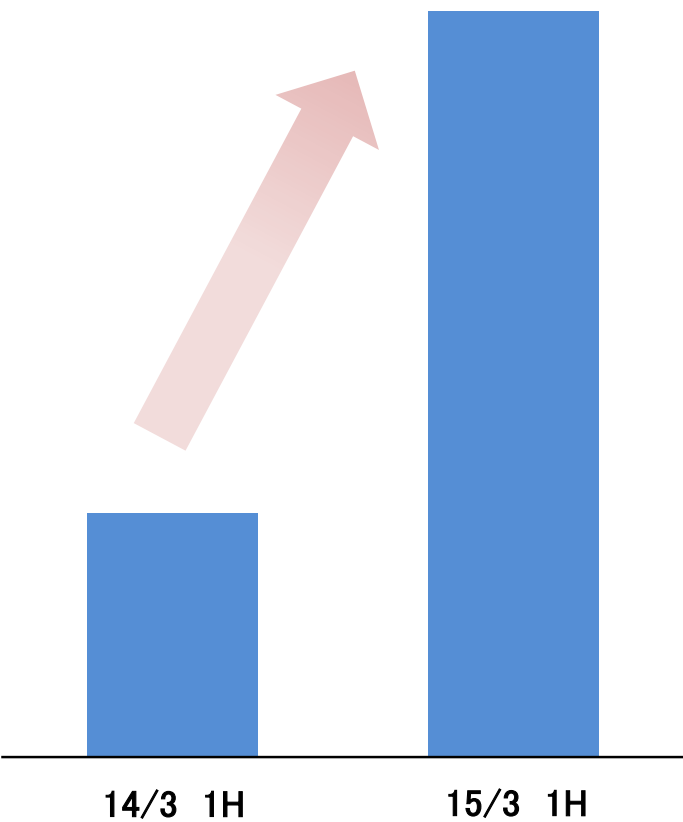


- September 10:
“Smart Labo Sendai Clisroad”



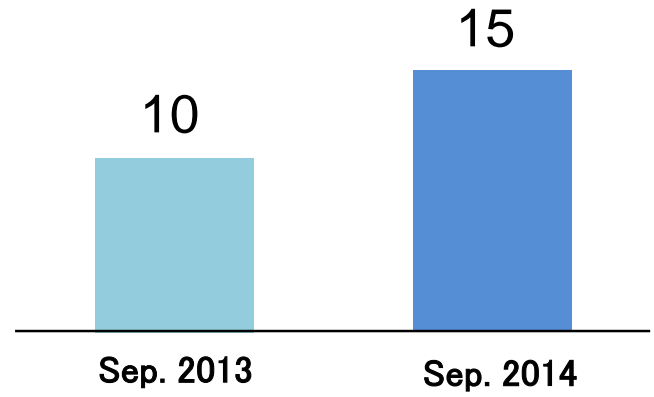
Net Sales in Accessory Shops for Smart-phones

Net Sales in Accessory Shops



Increased by approx. three-times on a YoY basis

No. of Accessory Shops



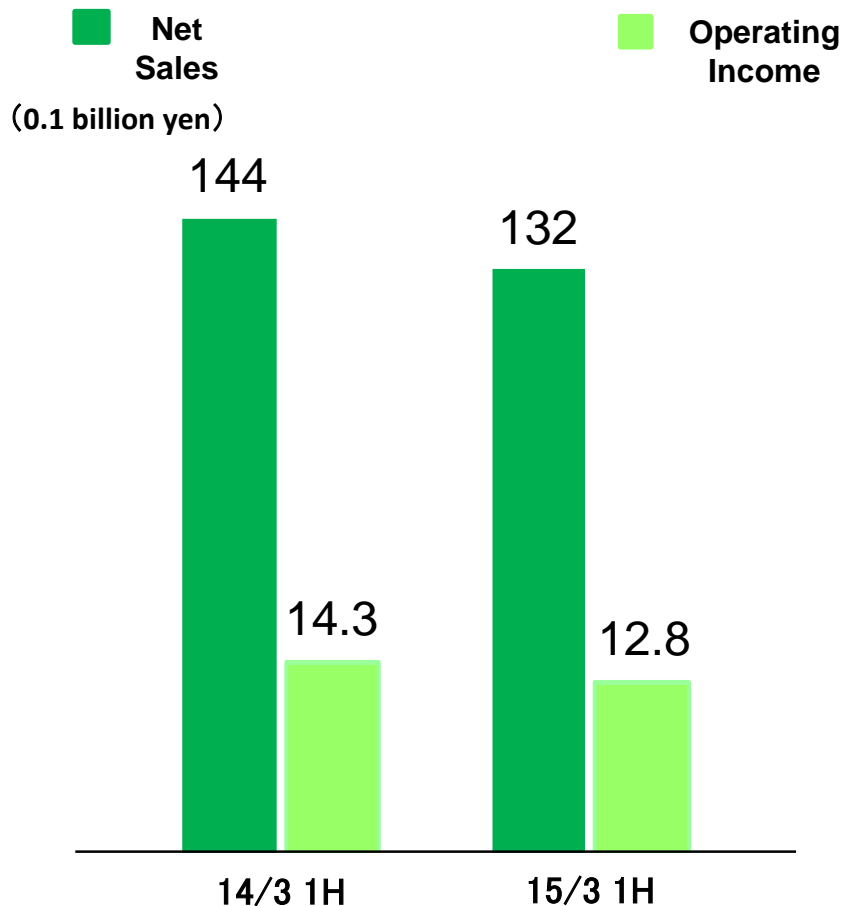
※ Including EC sites

Products sold in Accessory Shops

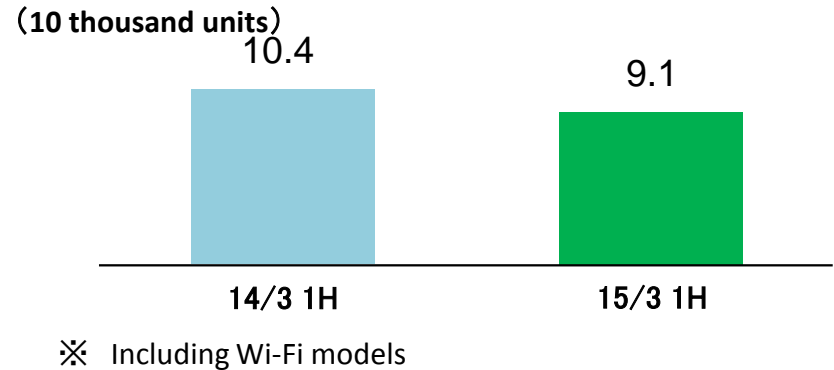


Solution Business

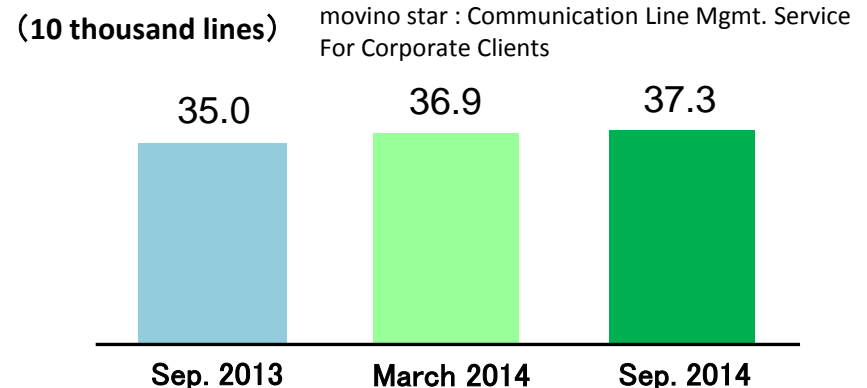
Financial Results Comparison



Mobile-phone Unit Sales



Total No. of lines subscribing "movino star" service



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

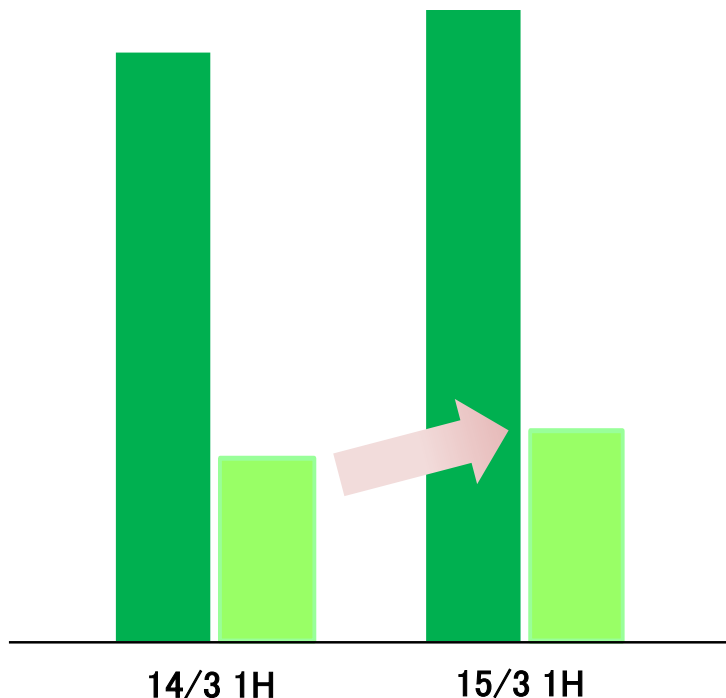
Mobile Solution for Corporate Clients

Financial Results Comparison

※Including WAM!NET Japan K.K.

■ Net Sales
(0.1 billion yen)

■ Operating Income



Both Net Sales & Operating Income increased by approx. 10%

Action Plan with WAM!NET Japan K.K.

- Mutual utilization of customer base
- Promotion of Cross-selling activities
- Proposal of total solution service



(Note) WAM!NET Japan K.K

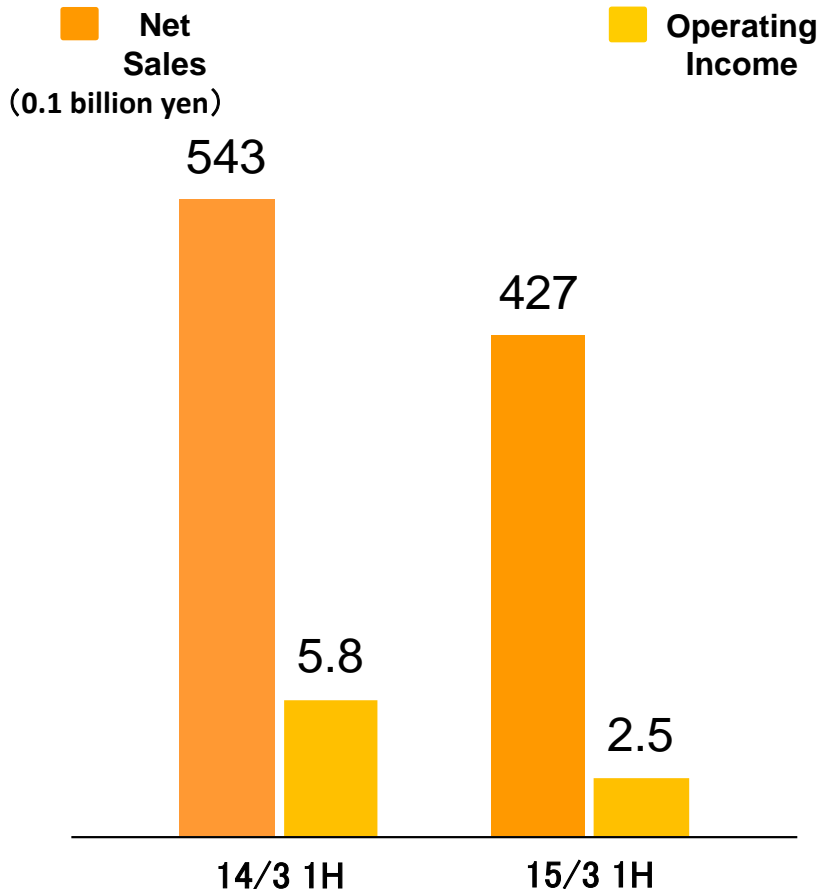
Ranked First in terms of Net Sales by Vendor in Online File-sharing Market for FY2013



GigaCC ASP / OFFICE

Settlement Service & Other Business ① (Settlement Service)

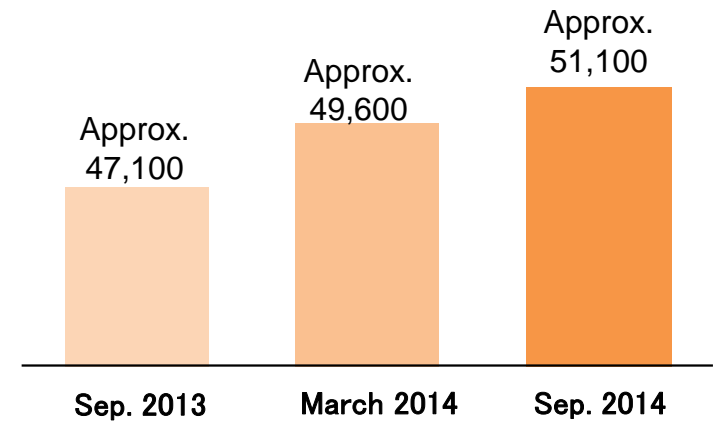
Financial Results Comparison



• 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

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.

Settlement Service & Other Business ②(Overseas Business)

China (Shanghai)

- Operation of Ten China Unicom Shops
- Promotion of Smart-phone Accessory utilizing knowledge & experience in Japan
- Strengthening of corporate marketing for Japanese-affiliated companies



Singapore

- Expansion of product lineup & sales channel for Gift Cards
 - No. of Convenience Stores & Large Electric Stores dealing Gift Cards : Approx. 620
(As of Sep. 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



決済
Settlement Service

ウェアラブル
Wearable Appliance

アプリ
Application



EC



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% |

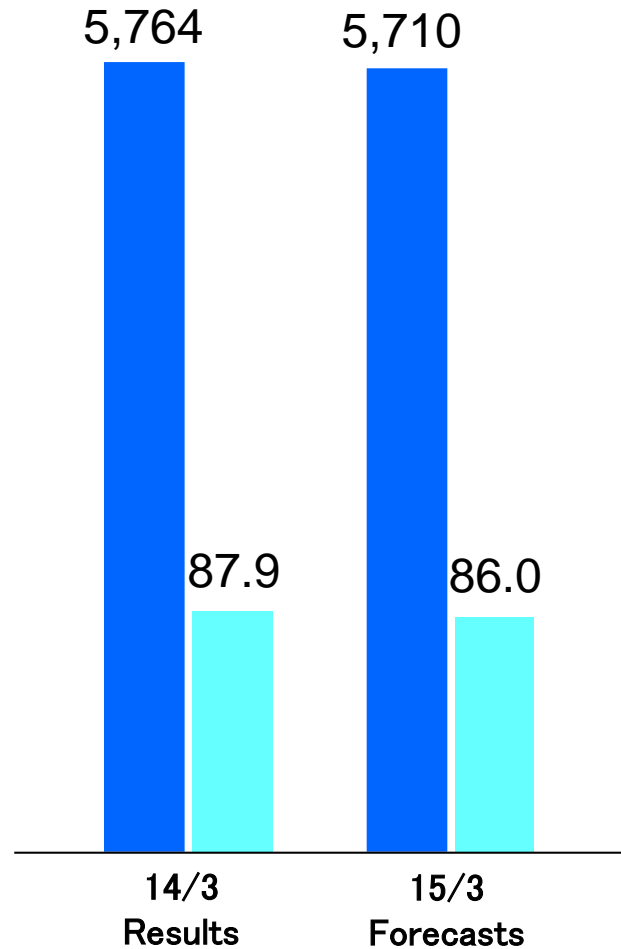


Mobile-phone Business: Full-year Forecasts & Action Plan in 2H

Full-year Forecasts

■ Net Sales ■ Operating Income

(0.1 billion yen)



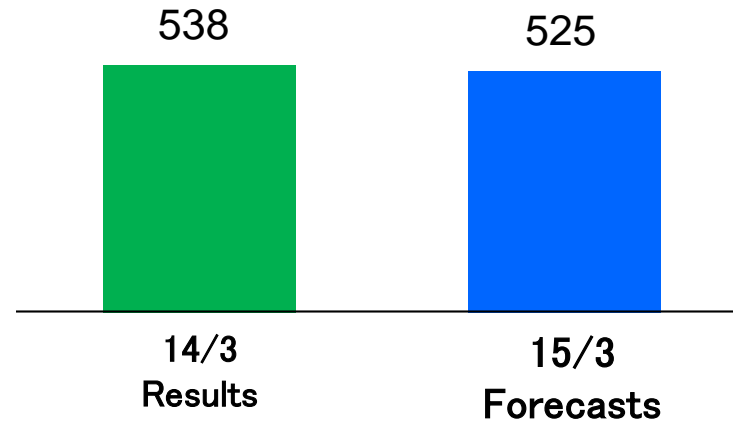
Action Plan in 2H

- Recommendation of utilization of tablets based on each customer's lifestyle
- Promotion of related products such as smartphone accessory
- Expansion of accessory shops including EC sites
- Further promotion of structural reform
 - Realization of efficient shop operation
 - Improvement of productivity per head
 - Strengthening of company-wide cost reduction

Mobile-phone Unit Sales

(10 thousand units)

※ Including Wi-Fi models



Mobile-phone Business: Promotion of Accessory Shop Business

Total 13 shops in major cities in Japan

(As of Sep. 30, 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 Sendai Clisroad



AppBank Store Shinjuku



Smart Labo Shinsaibashi



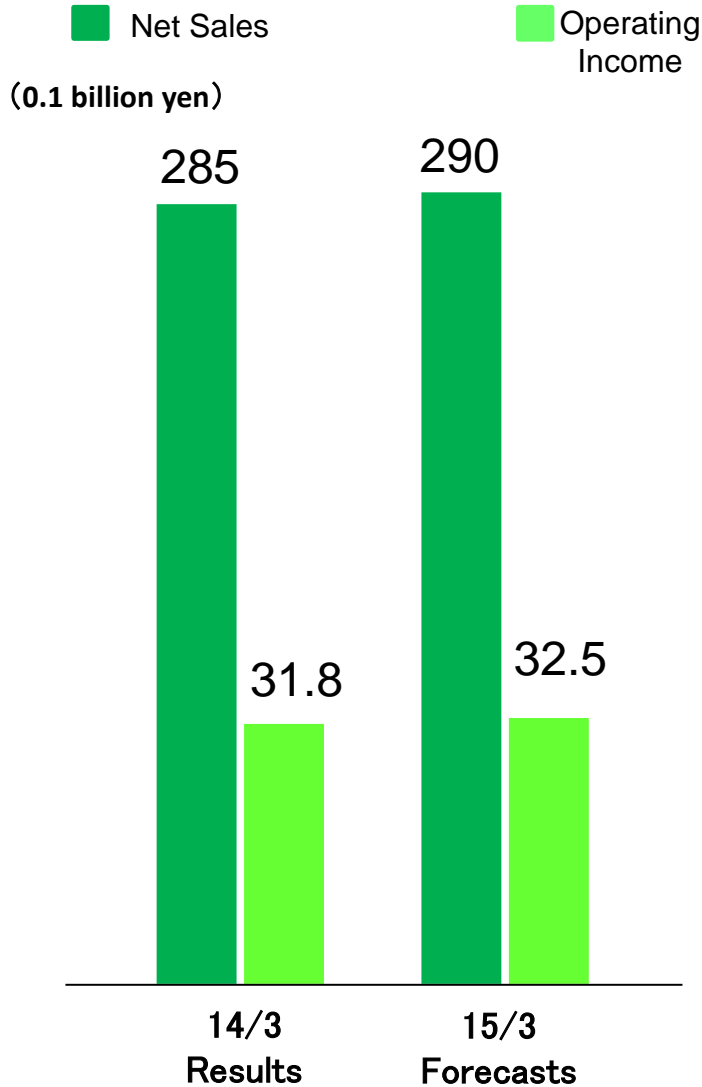
AppBank Store Harajuku





Solution Business: Full-year Forecasts & Action Plan in 2H

Full-year Forecasts



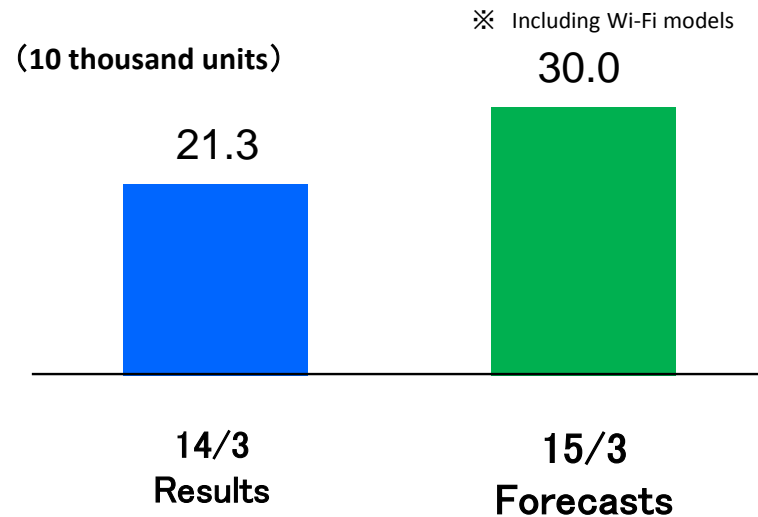
Action Plan in 2H

Mobile-phone Business for Corporate Clients

- Comprehensive recommendation of smart device & solution services
- Provision of total solution services including cloud service
- Upgrade of movino star (※) to improve convenience & CS among corporate clients
- Acquisition of new clients & strengthening of alliance

※ movino star : telecommunication line management service for corporate clients

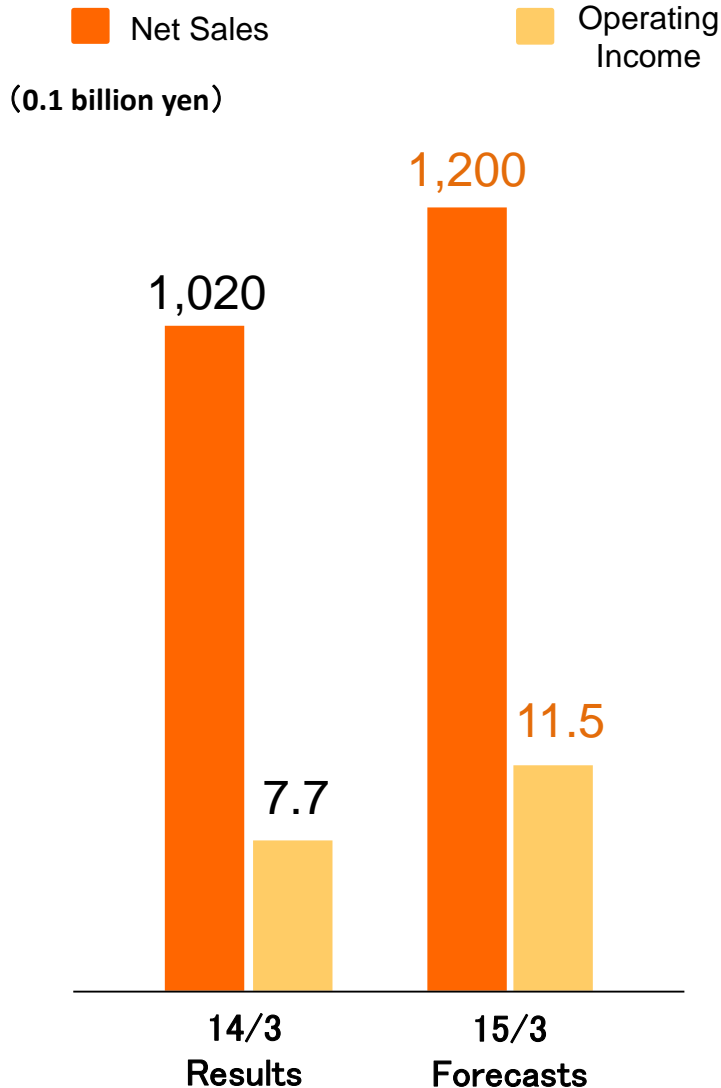
Mobile-phone Unit Sales



Settlement Service Business & Others :

Full-year Forecasts & Action Plan in 2H

Full-year Forecasts



Action Plan in 2H

Settlement Service Business

- Strengthening of promotion of Gift Cards responding to the shift of customers' needs from PIN to Gift Cards
- Expansion of new sales channels in addition to convenience stores

Overseas Business

- **Mobile-phone Sales Business**
 - Penetration of Japanese-style quality service along with the start of 4G service in China
 - Strengthening of support system for communication line mgmt. service intended for Japanese-affiliated companies
- **Settlement Service Business**
 - Promotion of Gift Cards Distribution & enhancement of recognition thorough aggressive marketing in Singapore

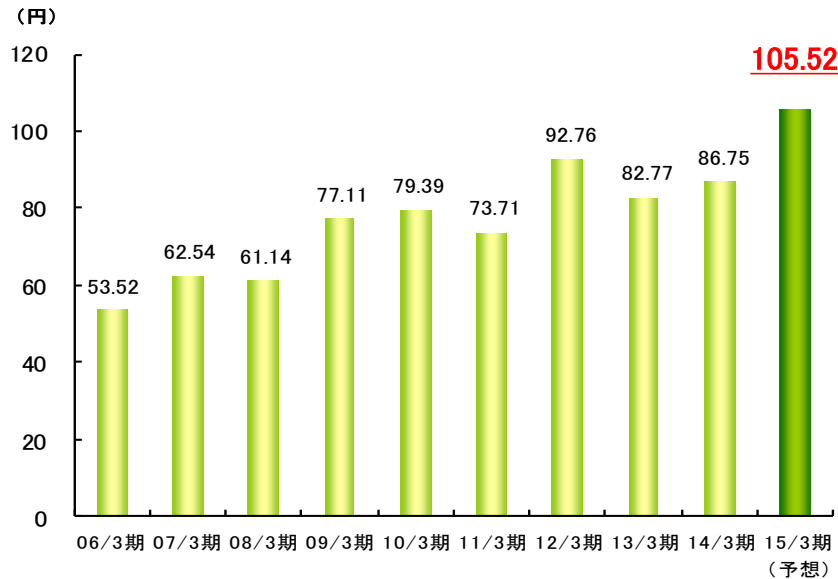


Return to Shareholders: Dividend Policy

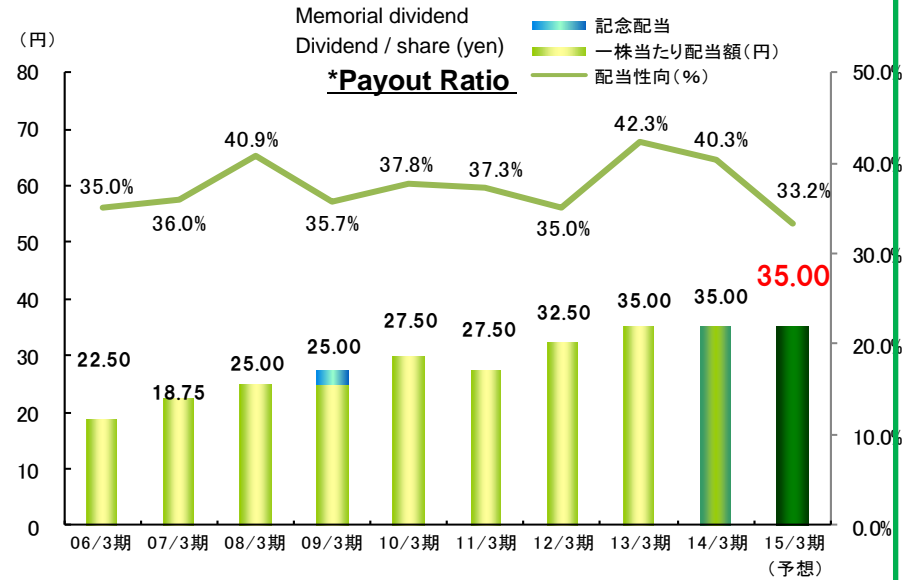
[Basic Dividend Policy]

- 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)