



# Consolidated Financial Results for the FY Ended March 31, 2022

May 2, 2022  
T-Gaia Corporation

# Disclaimer

The performance forecast provided in this document is prepared based on the management's judgment and prediction derived from currently available information and includes a number of hypotheses and ideas based on information that contains risks and uncertainties.

It should be noted that actual results could materially differ from those expressed or implied by the forward-looking statements in this presentation due to various factors.

The factors affecting actual results include business environment, the deterioration of economic conditions, the trends of laws and other relevant regulations, and the adverse judgement of litigation, but are not limited to those.

# Table of Contents

<b>I</b>	<b>Outline of the Consolidated Financial Results for the FY Ended March 31, 2022</b>	
	Consolidated .....	P. 4
	Consumer Mobile Business .....	P. 11
	Enterprise Solutions Business .....	P. 14
	Payment Service Business and Others .....	P. 17
<b>II</b>	<b>Performance Forecast for the FY Ending March 31, 2023</b> .....	P. 19
<b>III</b>	<b>Future Initiatives</b> .....	P. 24
<b>IV</b>	<b>References</b> .....	P. 47

# **Outline of the Consolidated Financial Results for the FY Ended March 31, 2022**

# Financial Result Highlights for the FY Ended March 31, 2022



## Consolidated



Net sales	<b>476.46</b>	billion yen	Y-o-y +12.6%	Against the plan +5.2%
Net profit	<b>10.57</b>	billion yen	Y-o-y ▲18.9%	Against the plan ▲11.8%

## Consumer Mobile Business



Net sales	Y-o-y +14.6%
<b>407.1</b>	Against the plan +9.4%
billion yen	
Net profit	Y-on-y ▲23.5%
<b>5.60</b>	Against the plan ▲20.8%
billion yen	

## Enterprise Solutions Business



Net sales	Y-on-y +9.1%
<b>35.2</b>	Against the plan ▲19.2%
billion yen	
Net profit	Y-on-y ▲3.8%
<b>1.86</b>	Against the plan ▲11.3%
billion yen	

## Payment Service Business and Others



Net sales	Y-on-y ▲3.4%
<b>34.0</b>	Against the plan ▲8.8%
billion yen	
Net profit	Y-on-y ▲17.8%
<b>3.10</b>	Against the plan +10.3%
billion yen	

Net profit: Net profit for the FY attributable to the parent company's shareholders

# Outline of the Consolidated Financial Results for the FY Ended March 31, 2022



(billion yen)	FY2021	FY2022	Y-o-Y
Net Sales <y-o-y excl. former TFM>	422.97*	<b>476.46</b>	112.6% <108.4%>
Gross Profit (gross profit ratio)	69.88 (16.5%)	<b>72.57</b> (15.2%)	103.8% (-1.3p)
SG&A	55.84	<b>62.00</b>	111.0%
Operating Profit (operating profit ratio)	14.04 (3.3%)	<b>10.56</b> (2.2%)	75.3% (-1.1p)
Non-operating Profit or Loss (income from hoarded cards, etc.)	5.75	<b>4.81</b>	83.7%
Ordinary Profit	19.79	<b>15.38</b>	77.7%
Net Profit	13.04	<b>10.57</b>	81.1%
Unit Sales (thousand) <y-o-y excl. former TFM>	3,577	<b>4,169</b>	116.5% <110.2%>

Full-Year Plan for FY2022	Achievement
453.00	105.2%
76.30 (16.8%)	95.1%
62.90	98.6%
13.40 (3.0%)	78.9%
5.00	96.3%
18.40	83.6%
12.00	88.2%

\* The reviews of accounting standards are retroactively applied.  
Net profit: Net profit for the FY attributable to the parent company's shareholders  
TFM: TF Mobile Solutions Corporation

Unit sales increased due in part to having made TFM a subsidiary; however, the initial plan for the FY was unachieved due to impact from the revised commission conditions and such  
Operating profit is on a recovery trend with initiatives towards improvement

# Outline of the Consolidated Financial Results for the FY Ended March 31, 2022 (Accounting Period)



(billion yen)	Q1			Q2			Q3			Q4		
	FY2021	FY2022	Y-o-Y	FY2021	FY2022	Y-o-Y	FY2021	FY2022	Y-o-Y	FY2021	FY2022	Y-o-Y
Net Sales <y-o-y excl. former TFM>	76.29*	<b>111.17</b>	145.7% <127.9%>	92.18*	<b>109.16</b>	118.4% <105.7%>	120.91*	<b>119.40</b>	98.7% <99.3%>	133.58*	<b>136.71</b>	102.3% <106.4%>
Gross Profit (gross profit ratio)	14.01 (18.4%)	<b>18.58</b> <b>(16.7%)</b>	132.5% (-1.7p)	16.03 (17.4%)	<b>17.52</b> <b>(16.1%)</b>	109.3% (-1.3p)	18.32 (15.2%)	<b>17.49</b> <b>(14.7%)</b>	95.4% (-0.5p)	21.50 (16.1%)	<b>18.96</b> <b>(13.9%)</b>	88.2% (-2.2p)
SG&A	11.72	<b>15.38</b>	131.2%	12.71	<b>15.83</b>	124.5%	15.41	<b>15.18</b>	98.5%	15.98	<b>15.60</b>	97.6%
Operating Profit (operating profit ratio)	2.29 (3.0%)	<b>3.19</b> <b>(2.9%)</b>	139.2% (-0.1p)	3.31 (3.6%)	<b>1.69</b> <b>(1.6%)</b>	51.3% (-2.0p)	2.91 (2.4%)	<b>2.30</b> <b>(1.9%)</b>	79.1% (-0.5p)	5.51 (4.1%)	<b>3.36</b> <b>(2.5%)</b>	61.0% (-1.7p)
Non-operating Profit or Loss (income from hoarded cards, etc. )	2.73	<b>1.67</b>	61.2%	1.03	<b>0.85</b>	82.6%	1.31	<b>1.14</b>	87.5%	0.66	<b>1.13</b>	169.9%
Ordinary Profit	5.03	<b>4.87</b>	96.8%	4.34	<b>2.55</b>	58.7%	4.22	<b>3.45</b>	81.7%	6.18	<b>4.50</b>	72.7%
Net Profit	3.39	<b>3.22</b>	94.9%	3.01	<b>2.17</b>	72.1%	3.02	<b>2.25</b>	74.4%	3.60	<b>2.92</b>	81.3%
Unit Sales (thousand) <y-o-y excl. former TFM>	586	<b>1,029</b>	175.4% <151.9%>	837	<b>1,003</b>	119.9% <104.3%>	980	<b>1,003</b>	102.3% <99.9%>	1,173	<b>1,133</b>	96.6% <99.7%>

\*The reviews of accounting standards are retroactively applied

Net profit: Net profit for the FY attributable to the parent company's shareholders, TFM: TF Mobile Solutions Corp.

- Some carriers' commission conditions were revised
- Sales ratio of non-main brands increased



**Commission income  
decreased**



**Performance in Q2 onwards  
was impacted**

**Effect of improvement measures began to appear, which led operating profit to  
improve significantly and exceed the Q1 results**

# Performance in FY2022 by Business Segment



	Consumer Mobile Business			Enterprise Solutions Business			Payment Service Business and Others		
(billion yen)	FY2021	FY2022	Y-o-Y	FY2021	FY2022	Y-o-Y	FY2021	FY2022	Y-o-Y
Net sales	355.4 [84.1%]	<b>407.1</b> [85.5%]	114.6%	32.3 [7.6%]	<b>35.2</b> [7.4%]	109.1%	35.2 (31.8) [8.3%]	<b>34.0</b> (30.5) [7.1%]	96.6% (96.0%)
Operating Profit	10.97 [78.2%]	<b>8.24</b> [78.1%]	75.1%	3.35 [23.9%]	<b>2.51</b> [23.8%]	75.1%	▲0.28 (2.06) [▲2.1%]	<b>▲0.20</b> (1.61) [▲1.9%]	— (78.2%)
Net Profit	7.32 [56.2%]	<b>5.60</b> [53.0%]	76.5%	1.93 [14.8%]	<b>1.86</b> [17.6%]	96.2%	3.78 (1.35) [29.0%]	<b>3.10</b> (1.18) [29.4%]	82.2% (86.9%)

Net profit: Net profit for the FY attributable to the parent company's shareholders

Figures in [] represent composition ratios by business segment

Figures in () represent the figures of the payment service business alone (excl. subsidiary dividends)



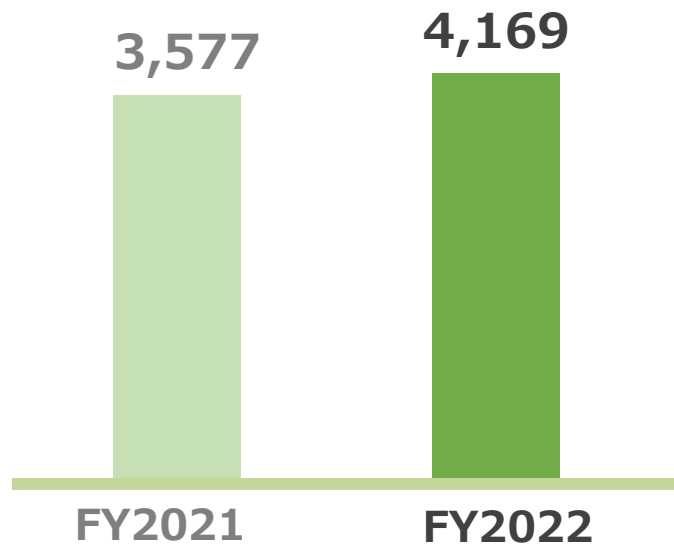
# Consolidated Unit Sales



## Mobile Phone Unit Sales

■ Number of unit sales (thousand)

\*Incl. Wi-Fi terminals and MVNO handsets

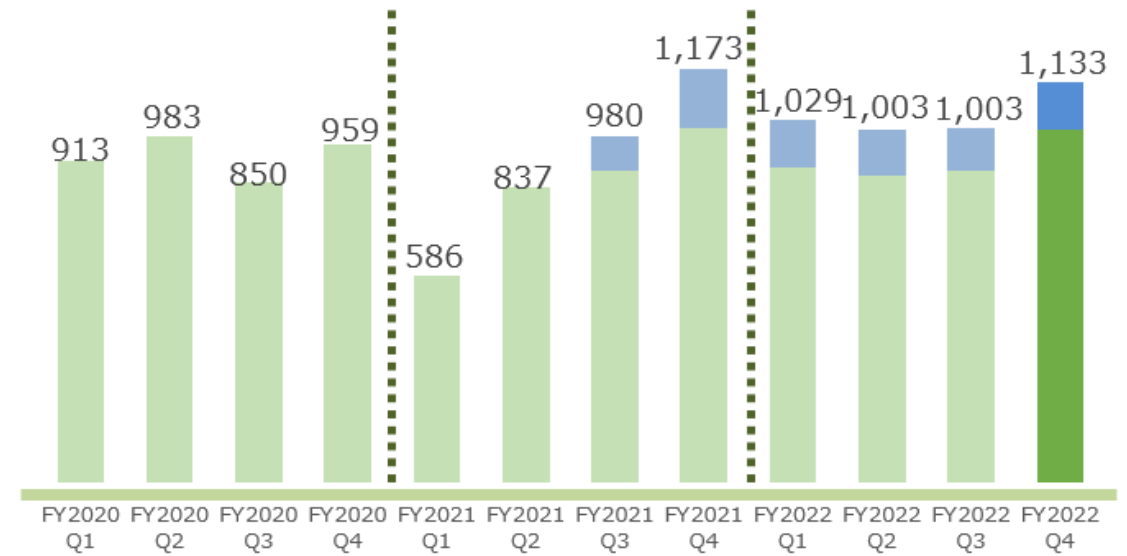


## Change in Mobile Phone Unit Sales

■ Number of unit sales

■ Number of TFM's unit sales (Nov. 2020 onwards) (thousand)

\*Incl. Wi-Fi terminals and MVNO handsets



## Factors of increase/decrease in unit sales

1. FY2021 Q1 (Apr. to Jun. in 2020): Shortened business hours and closure of shops, restrictions on some businesses
2. FY2022: Termination of 3G lines and intensified competitions among communication carriers
3. Nov. 2020: An increase in the number of shops as a result of having made TFM a subsidiary

# Integration Progress with TF Mobile Solutions Corp.



## T-Gaia Retail Service Corporation

**Acquired T-Gaia Retail Service Corp.  
by absorption-type merger  
on April 1, 2022**



Strengthen mobile  
phone unit sales

Increase the efficiency  
of the management  
system by  
organizational  
unification

## Integration Synergies

### Consumer Mobile Business



- Share shop operation and human resource cultivation know-how
- Sell T-Gaia's original products at former TFM's shops
- Exchange human resources

### Enterprise Solutions Business



- Sell and propose T-Gaia's products to Fujitsu Group companies and former TFM's customers
- Sell Fujitsu Group's products
- Share sales know-how and product knowledge between T-Gaia and the former TFM

**Organizational integration completed**

**Each business segment will advance initiatives, aiming to maximize synergy effects**

# **Consumer Mobile Business**

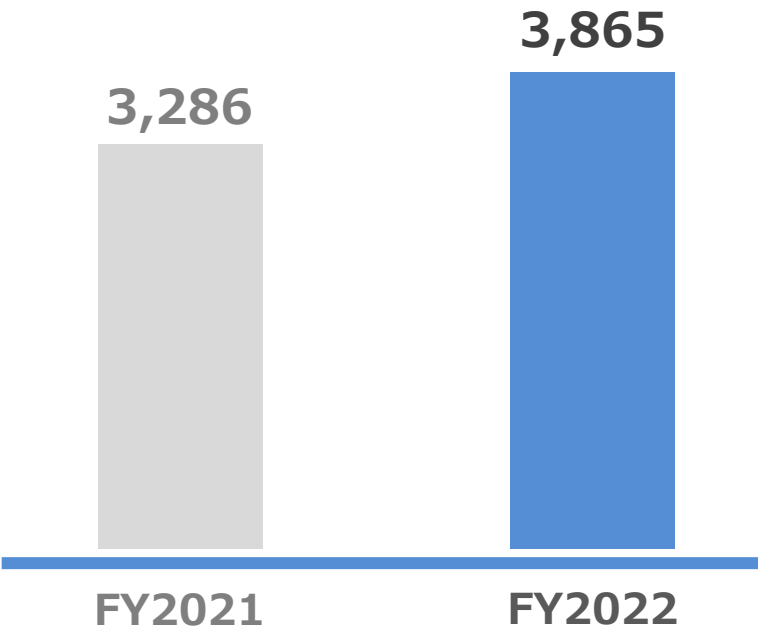
## **Financial Results for FY2022**

# Segment Financial Results of the Consumer Mobile Business



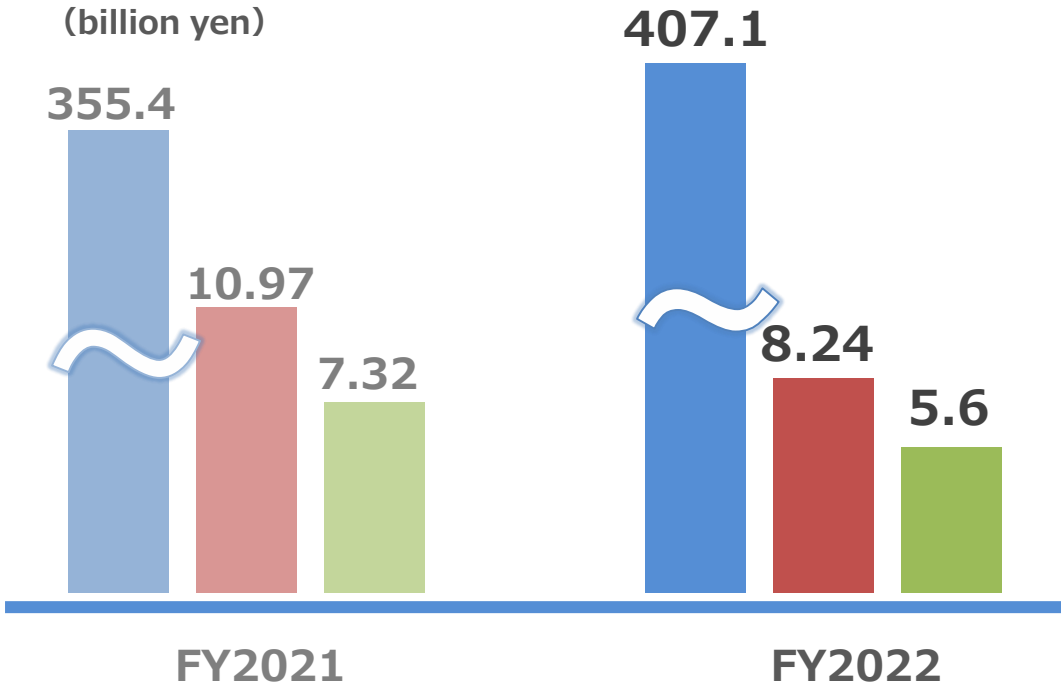
## Mobile Phone Unit Sales

(thousand) \*Incl. Wi-Fi terminals and MVNO handsets



## Net Sales, Operating Profit and Net Profit

■ Net sales ■ Operating profit ■ Net profit  
(billion yen)



Commission income decreased from Q2 onwards because some carriers' commission conditions were revised



Continued to expand original products and improve productivity

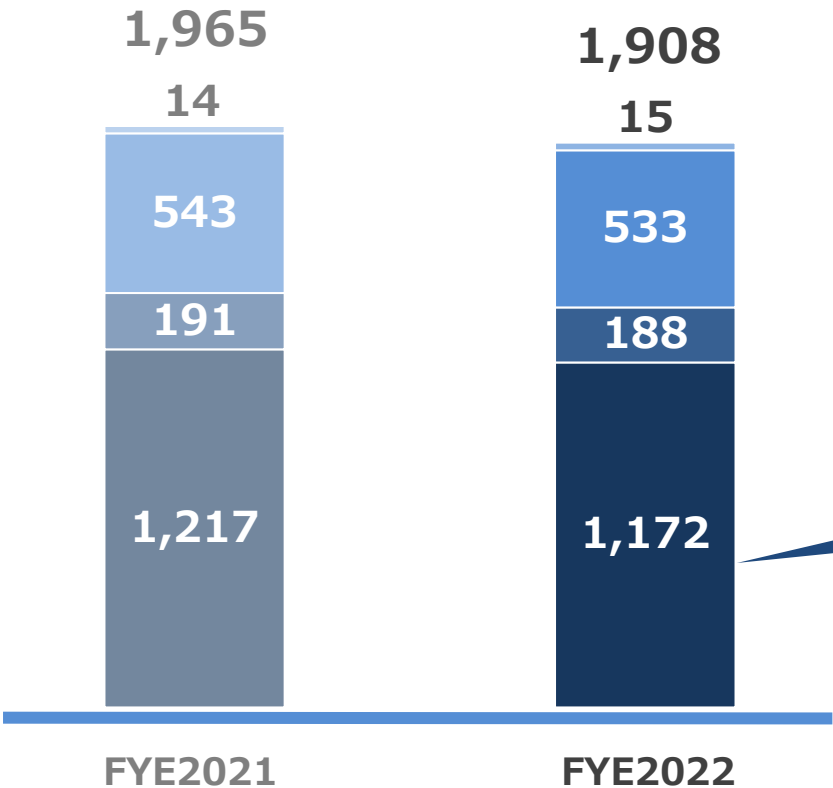


Recorded operating profit of 2.76 billion yen in Q4 (highest in FY2022)

# Change in the Number of Sales Bases

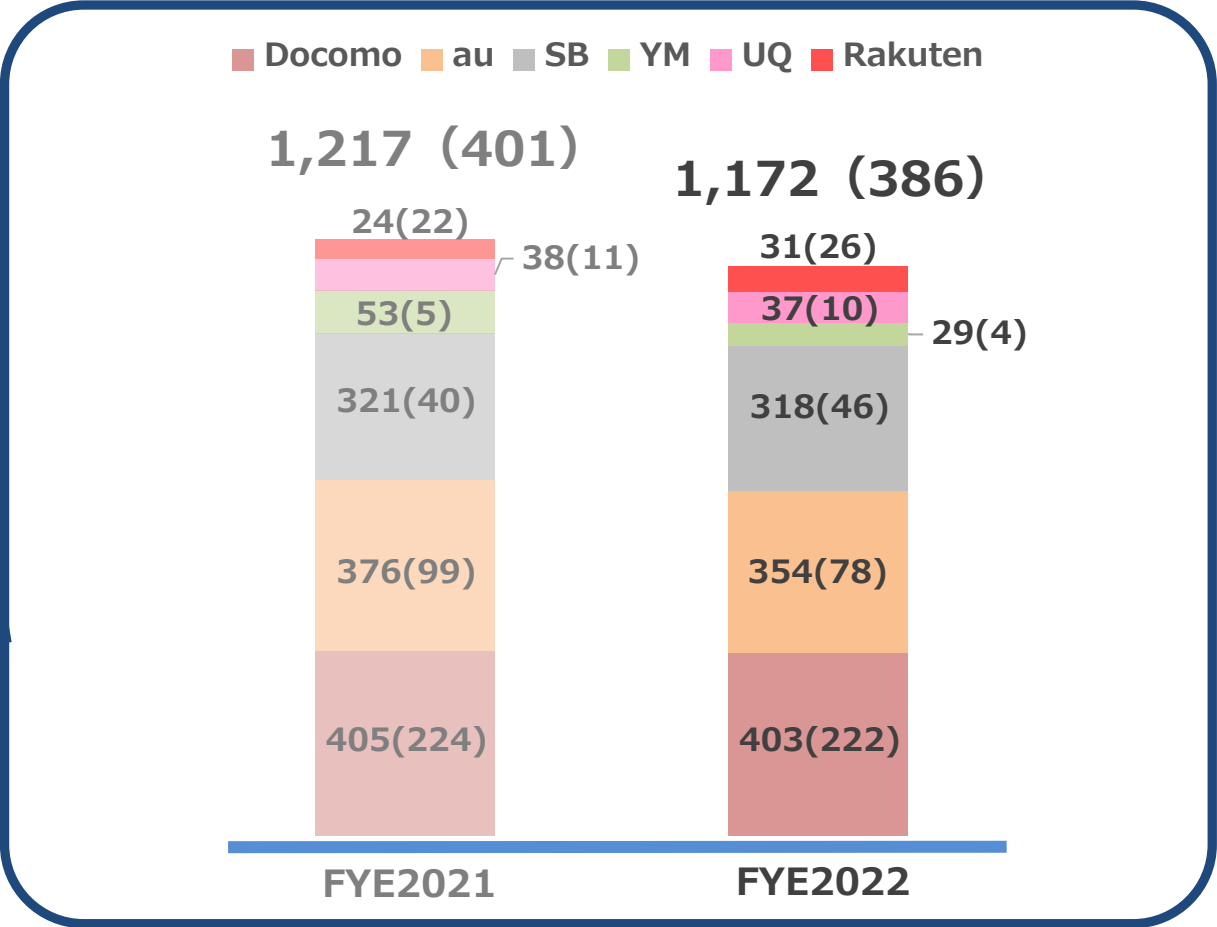


- Carrier shop
- Multi-Carrier Shop
- Mass retailer
- Accessory shop (incl. EC site)



## Change in the Number of Carrier Shops

\*( ) Directly managed shops



Number of sales bases decreased because some shops were integrated into main brands and unprofitable shops were closed

# **Enterprise Solutions Business**

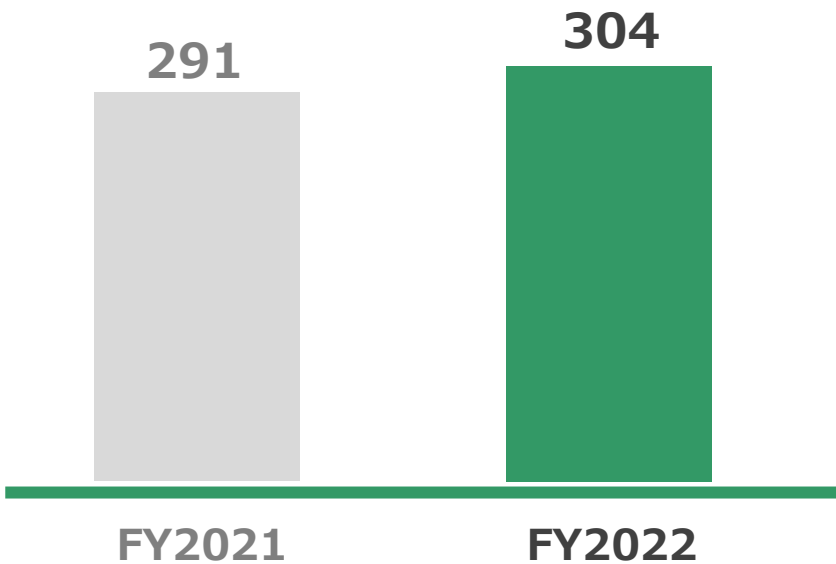
## **Financial Results for FY2022**

# Segment Financial Results of the Enterprise Solutions Business

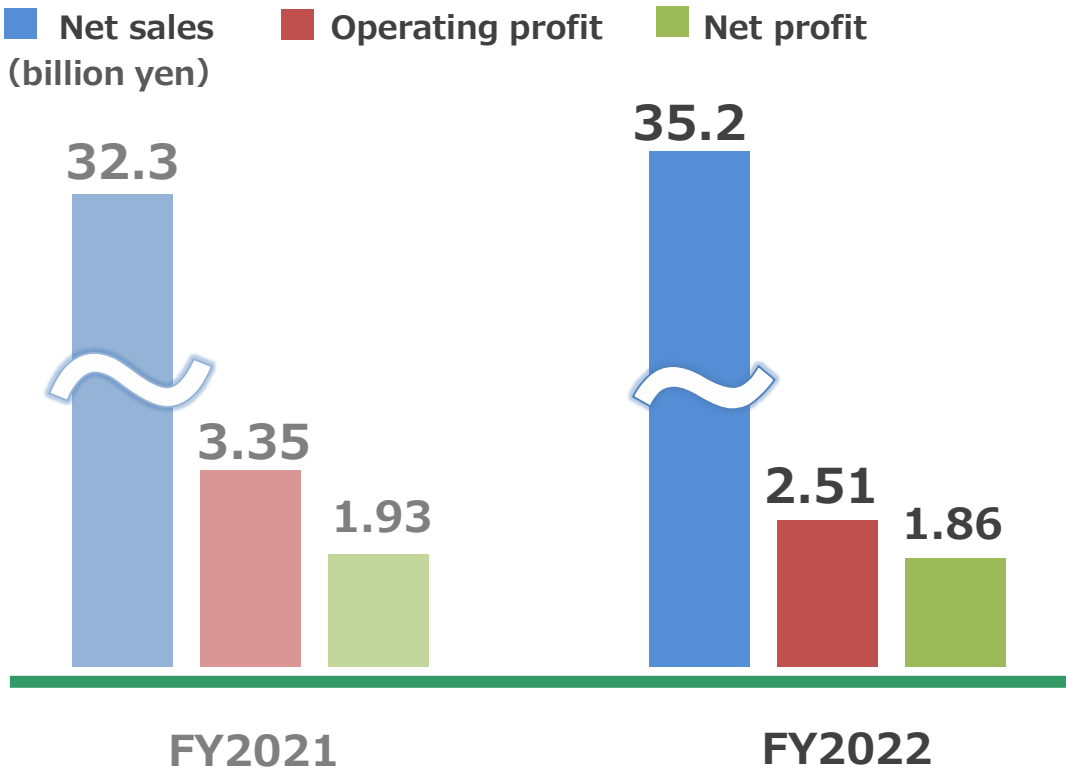


## Mobile Phone Unit Sales

(thousand) \*Incl. Wi-Fi terminals and MVNO handsets



## Net Sales, Operating Profit and Net Profit



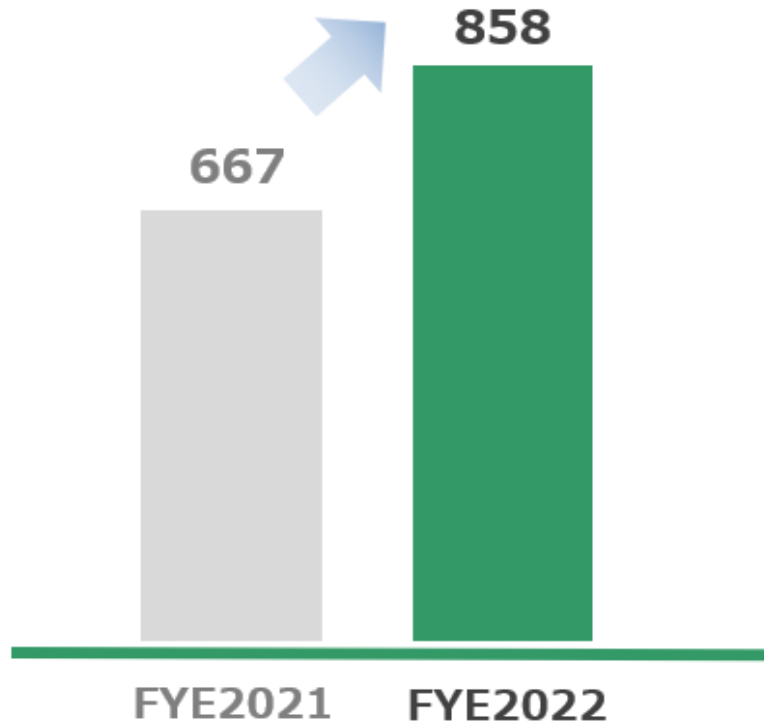
Delay in terminal supply prolonged due to shortage of semiconductors  
Operating profit dropped as initially assumed due to the increased number of staff  
and investment in systems

# Results of T-Gaia's Original Products



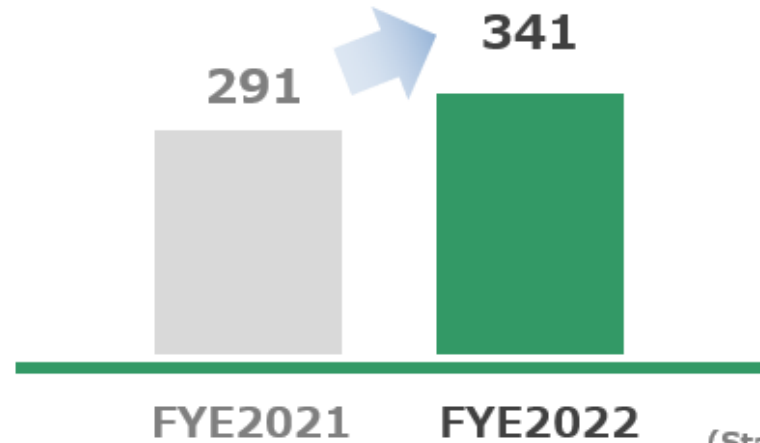
## Number of movino star IDs

(thousand) movino star: Collective communication line management service for corporates



## Number of Helpdesk Service Subscription IDs

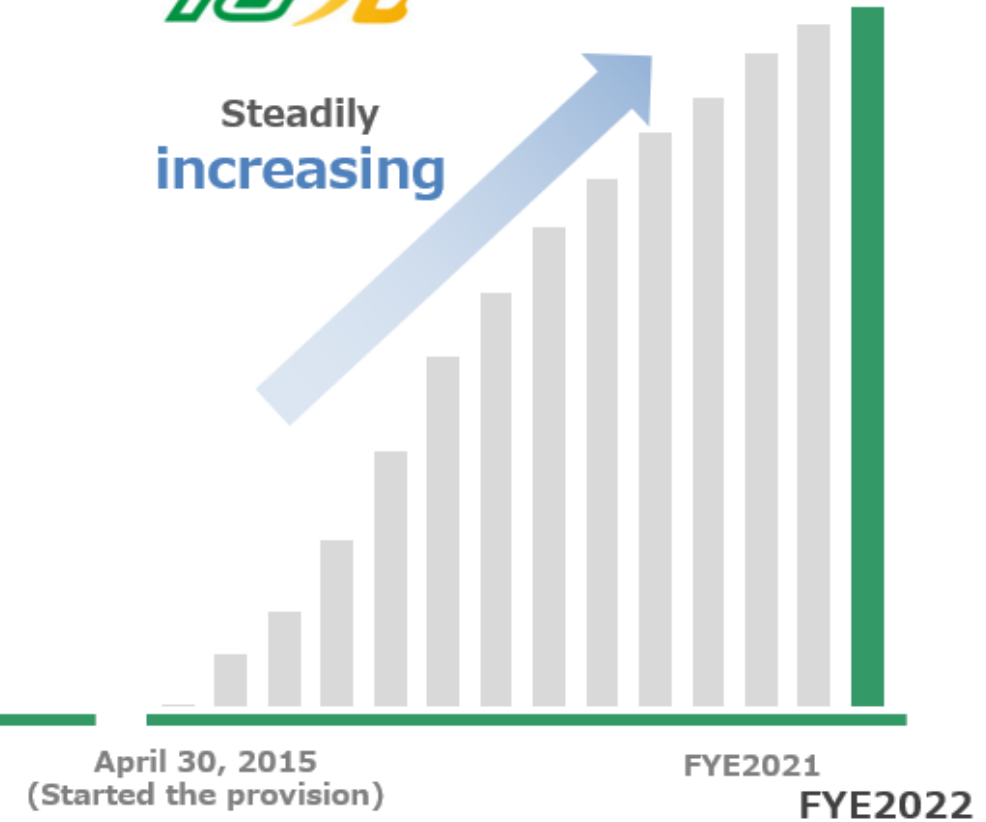
(thousand)



## Cumulative Number of TG Hikari Subscriptions (incl. Resales)



Steadily increasing



Income continuously increased along with the increased number of IDs  
Gross profit composition ratio of these products became 41%



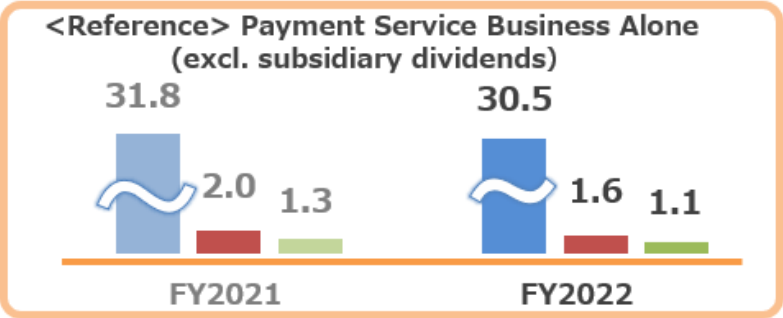
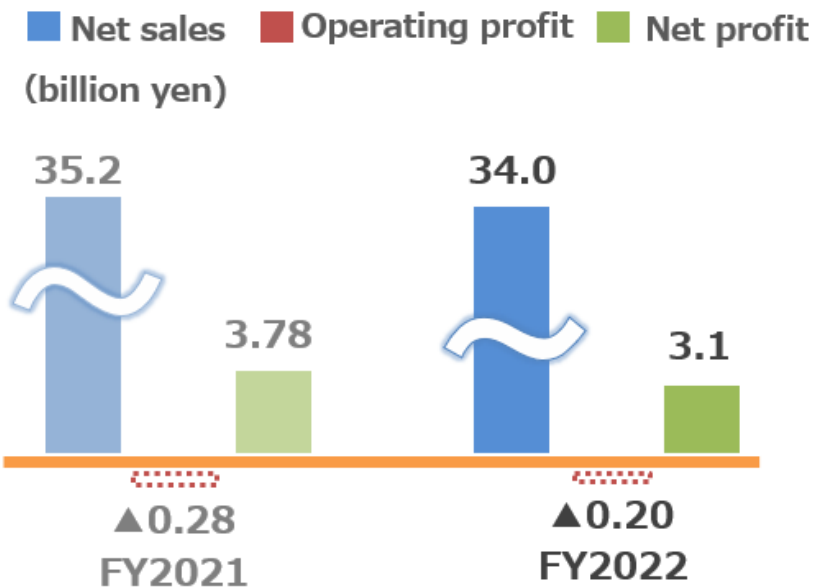
# **Payment Service Business and Others**

## **Financial Results for FY2022**

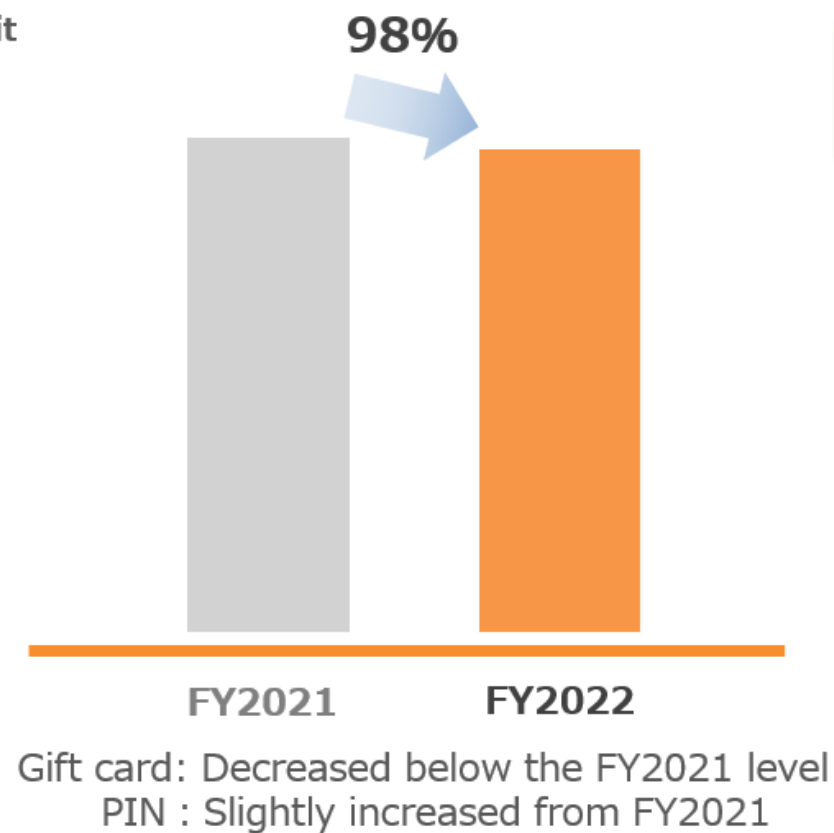
# Segment Financial Results of the Payment Service Business and Others



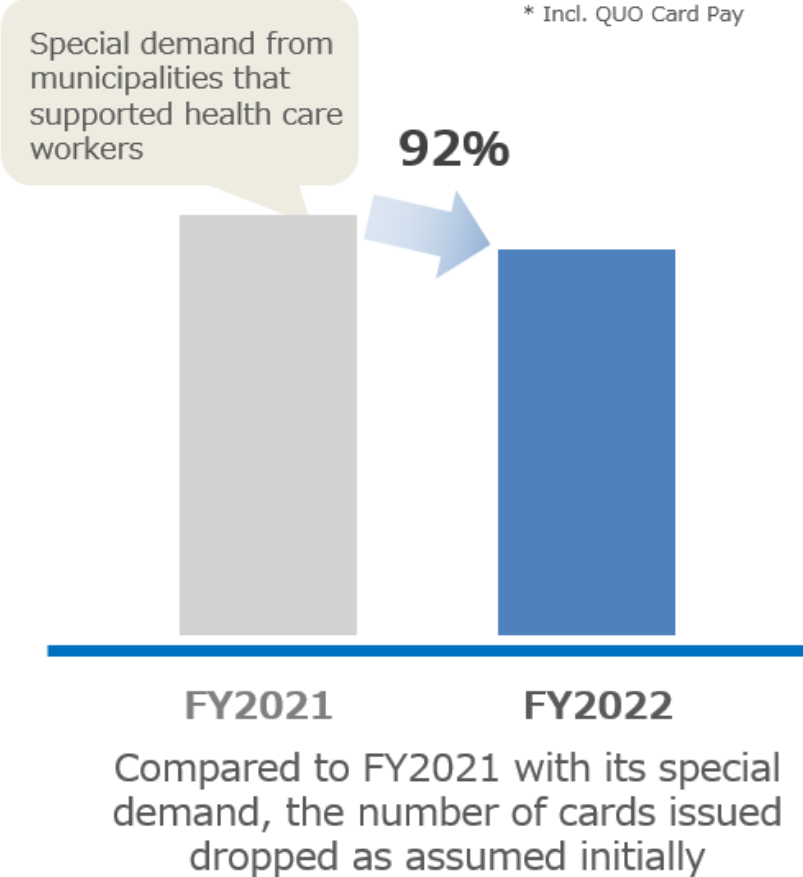
## Net Sales, Operating Profit and Net Profit



## Sales Volume of PIN and Gift Card



## Number of QUO Card Issued



Achieved the plan even though net profit dropped year-on-year due to a decrease in income from hoarded cards

# **Performance Forecast**

## **for the FY Ending March 31, 2023**

# Consolidated Performance Forecast for the FY Ending March 31, 2023



(billion yen)	Results for FY2022	Plan for FY2023	Y-on-Y
Net Sales	476.46	483.00	101.4%
Gross Profit	72.57	72.40	99.8%
SG&A	62.00	61.20	98.7%
Operating Profit	10.56	11.20	106.0%
Non-Operating Profit or LOSS (income from hoarded cards, etc.)	4.81	4.20	87.2%
Ordinary Profit	15.38	15.40	100.1%
Net Profit	10.57	10.0	94.5%

Net profit: Net profit for the FY attributable to the parent company's shareholders

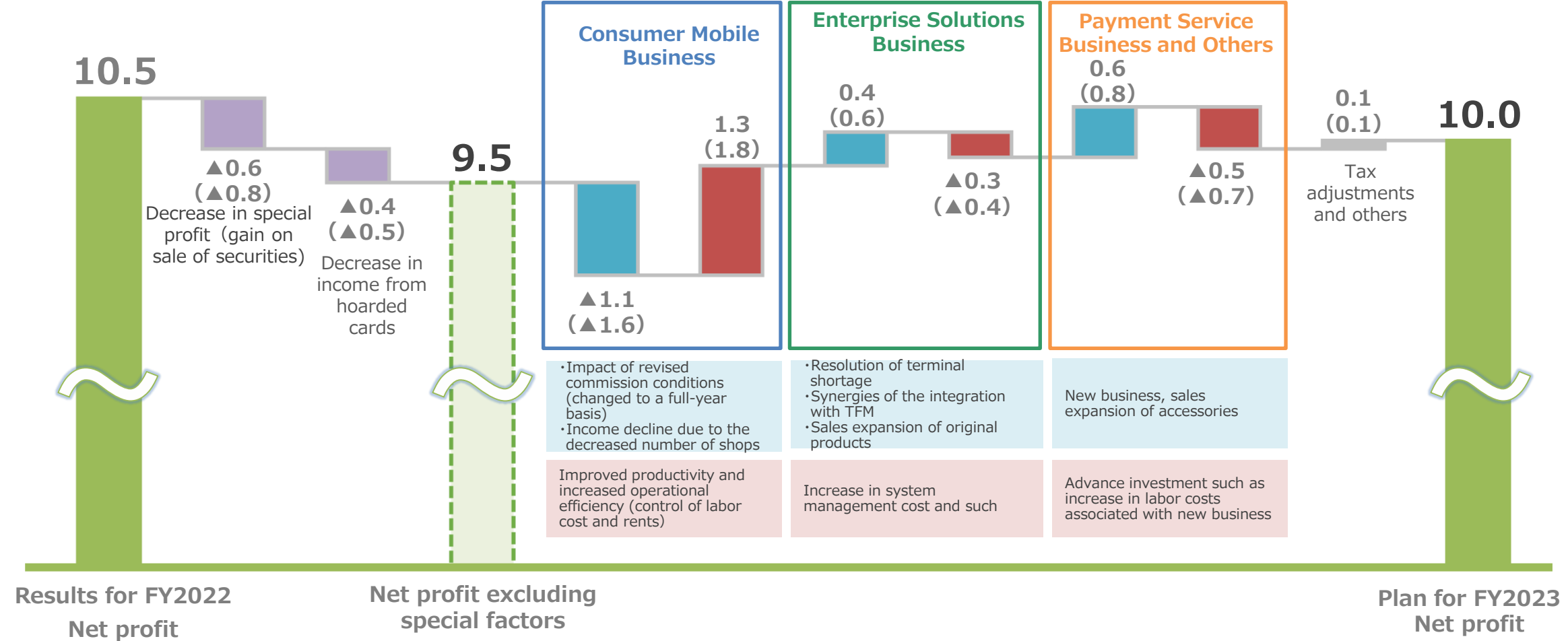
**Net profit is forecast to decline because income from hoarded cards will decrease and there will be no special profit as in FY2022, but operating profit is forecast to rise with increased operational efficiency**

# Consolidated Performance Forecast for the FY Ending March 31, 2023

## Increase/decrease in net profit by business segment (by multiplying the effective tax rate) (billion yen)

■ Increase/decrease in gross profit ■ Increase/decrease in SG&A ■ Special factors ■ Adjustments and others ■ Net profit

\* ( ) Profit before tax



Net profit: Net profit for the FY attributable to the parent company's shareholders  
TFM : TF Mobile Solutions Corp.

# Performance Forecast for FY2023 by Business Segment



(billion yen)	Consumer Mobile Business			Enterprise Solutions Business			Payment Service Business and Others*		
	Results FY2022	Plan FY2023	Y-o-Y	Results FY2022	Plan FY2023	Y-o-Y	Results FY2022	Plan FY2023	Y-o-Y
Net Sales	407.1	<b>402.8</b>	98.9%	35.2	<b>45.5</b>	128.9%	34.0 (30.5)	<b>34.8</b> (30.7)	102.3% (100.5%)
Operating Profit	8.24	<b>8.56</b>	103.8%	2.51	<b>2.89</b>	114.8%	▲0.20 (1.61)	▲ <b>0.11</b> (1.51)	— (93.7%)
Net Profit	5.60	<b>5.40</b>	96.3%	1.86	<b>1.79</b>	96.1%	3.10 (1.18)	<b>2.81</b> (1.12)	90.4% (94.8%)

Net profit: Net profit for the FY attributable to the parent company's shareholders

Figures in ( ): Figures of the payment service business alone (excl. subsidiary dividends)

The FY2023 figures in the above table include transactions among the business segments. The amount corresponding to "adjustments" is minimal and thus omitted in the table.

# Shareholder Return Policy



## Dividend Forecast for FY2023

Annual dividend: **75 yen/share**  
(Interim: 37.5 yen/share, FYE: 37.5 yen/share)

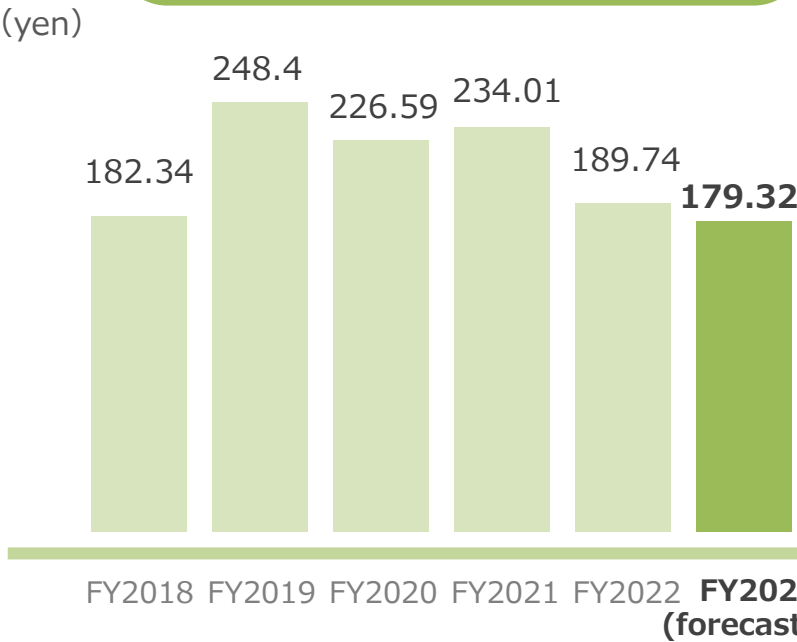
## Basic Dividend Policy

Consolidated dividend payout ratio

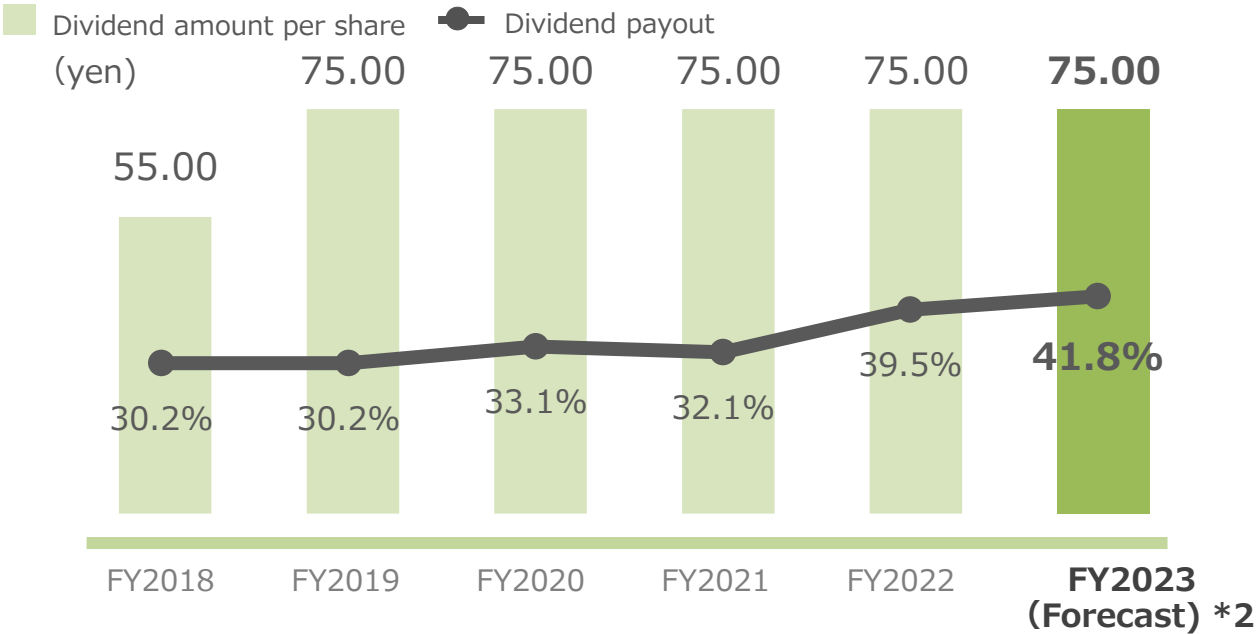
Aim for **40%\*1**

To implement stable and continuous profit returns over a long period of time

## Net Profit per Share



## Dividend Amount per Share and Dividend Payout Ratio



\*1 Consolidated dividend payout ratio has been changed from 30% to “aiming for 40%” from FY2023

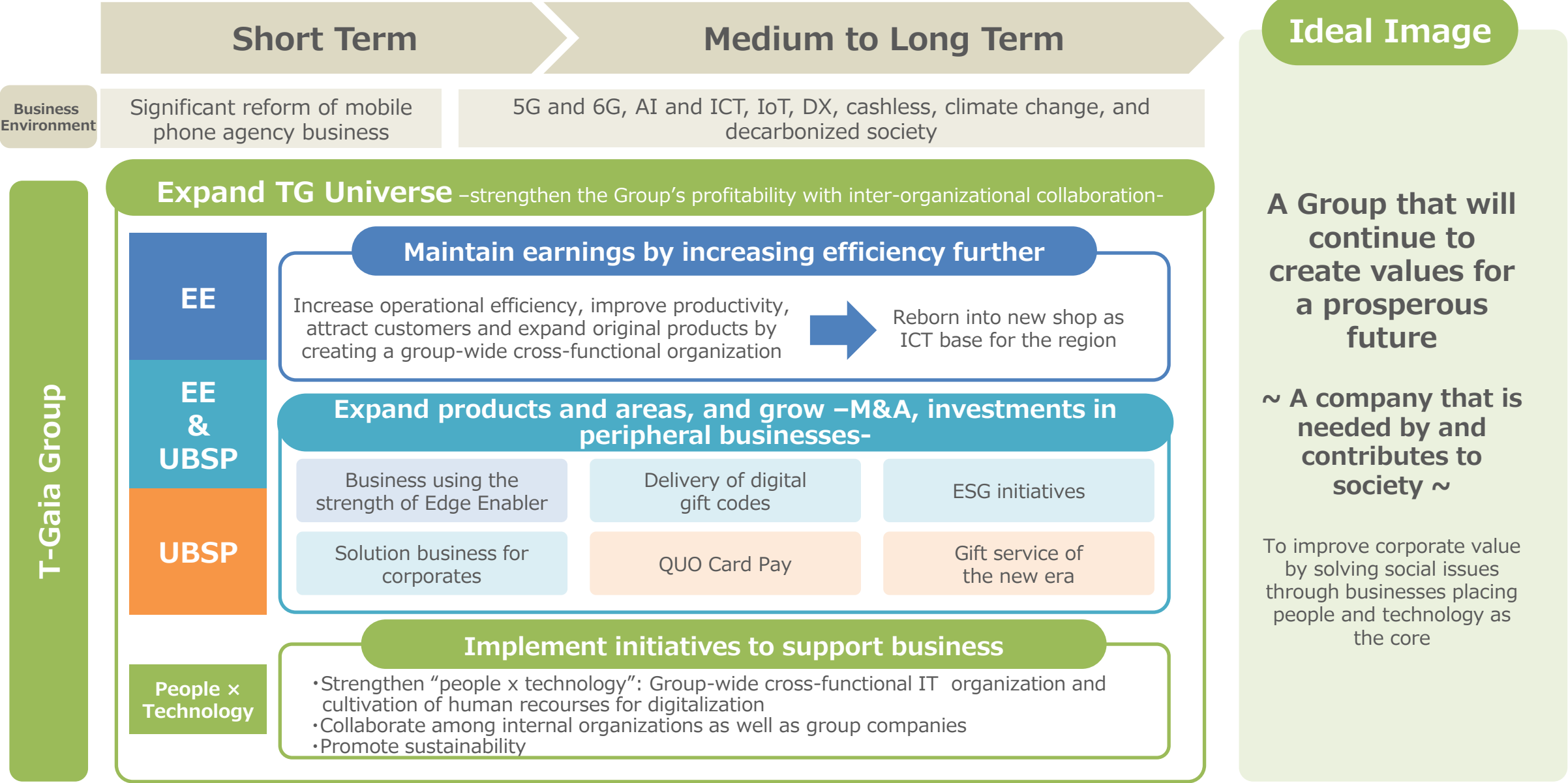
\*2 Net profit per share and dividend payout ratio for FY2023 are calculated based on the average number of shares during the FY (forecast) as of the end of FY2023<sub>23</sub>

# Future Initiatives



# Outline of the Strategies

\*EE=Edge Enabler (business to act as a go-between between individuals-corporate and corporate-corporate without exposing or putting out the name of T-Gaia)  
UBSP= Unique Branded Service Provider (business to provide original services, raising own brand)



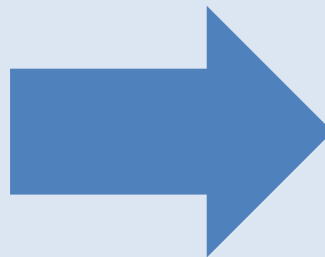
**Sales base → Transform to ICT base for the region**

**Create a group-wide cross-functional organization**

**Consumer Business  
Promotion Dept.**



**Sales bases in the country**



**Attract customers  
Expand original products**

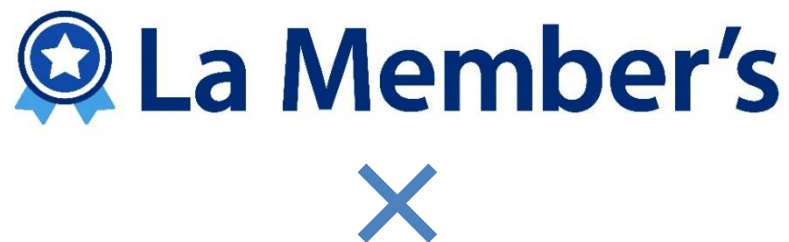
**Increase operational  
efficiency  
Improve productivity**

**Establish new Consumer Business Promotion Department  
Increase the efficiency of shop operations further and expand  
earnings with group-wide cross-functional efforts**

# Attract customers and expand original products

## <Digital>

La Member's × Everyone's Life Lab



Collaborate on the contents between T-Gaia's original service "Everyone's Life Lab" and "La Member's," the membership service provided by FCNT Limited

La Member's is the registered trademark of FCNT Limited

## <Physical>

Classes for seniors

### e-Sports class



Conduct a trial of "puyo-puyo e-sports class"

### Exercise class



Conduct trial senior exercise class, using non-operating hours of shops

# Improve customers' experience in both digital and physical situations

## Increase operational efficiency and improve productivity

### Improve back-office operations

Formulate a group-wide project team



Standardize, integrate and reduce clerical works at shops



Promote the creation of an environment where shop staff can focus on sales activities

### Provide smart online support

Help Center staff provide customers who are at shops with remote support in the initialization of their terminals

Help Center



Customers being at shops

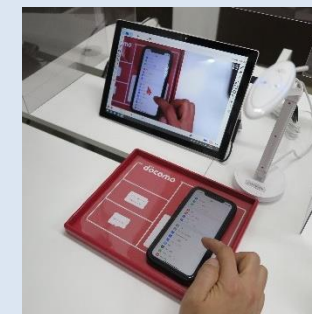
Shop A



Shop B



Shop C



Expand trial shops towards full-scale implementation

## Function as ICT base for the region

### Smartphone class



Hold smartphone classes at municipal facilities such as community centers

### Mobile shop for smartphones

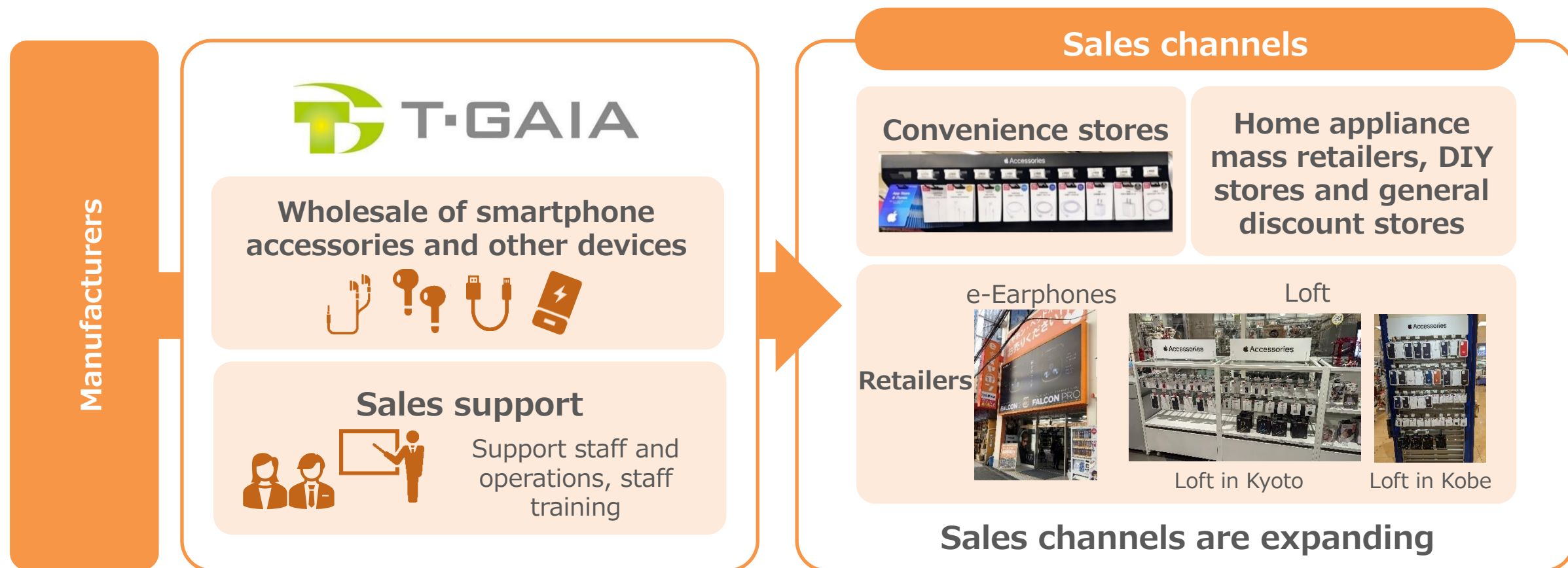


Hold off-site consultations in areas without smartphone shops

Contribute to the national concept of digital garden city and elimination of digital divide



## Businesses using the strength as an Edge Enabler



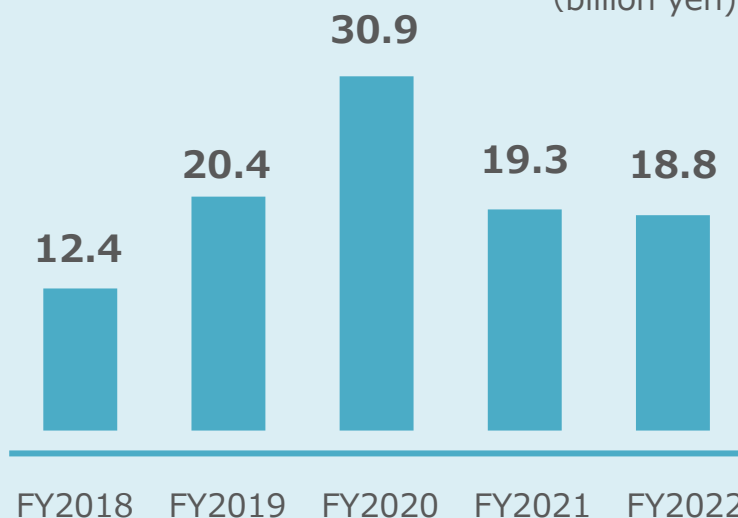
**Businesses that make use of connections and know-how as an Edge Enabler  
Strive to expand sales channels and products**

## M&A and investments in peripheral businesses → Actively advance them

### Financial base

#### Change in operating cash flow

(billion yen)



**Stable operating cash flow**

#### Net worth ratio

<FY2022>

**29.2%**

#### Net D/E ratio

<FY2022>

**▲0.57 times**

### Professional organizations

#### Open Innovation Promotion Dept.

New business, product development and M&A facilitation



#### Portfolio Management Dept.

Investment management

**Professional organizations actively work on business and product development, M&A and investments**

**Sufficient investment capacity with stable operating cash flow and capital  
Accelerate M&A and investments in peripheral businesses by professional organizations**

## Enterprise solutions business → Accelerate the expansion

### Expand LCM services



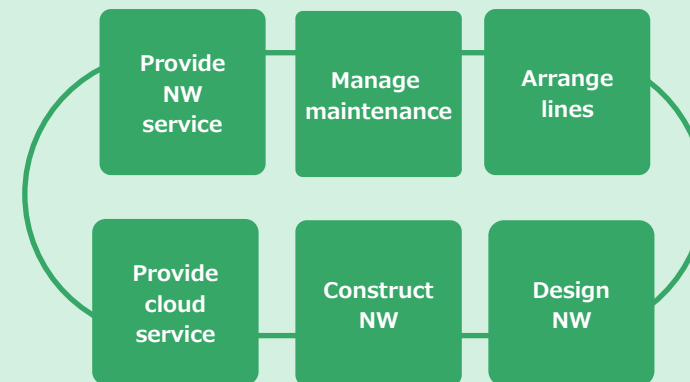
Expand new solution products and services in line with increasing teleworking and work-style reforms



### Evolve into a comprehensive network service provider



Engage in not only sales of IT-related products but also planning and designing of internal networks, edge solutions and operation maintenance



**Expand LCM services and aim to evolve into a comprehensive network service provider**



# Expand LCM services



## Improve service quality



### Improve the quality of support desk and kitting services

Improve the quality by standardizing operations, integrating information, unifying tools and collaborating with subsidiaries

### Create a menu of kitting services

Package kitting work contents  
Realize competitive prices by standardizing the works

### Establish a customer support center

Aggregate customer inquiries at the center

## Expand products

### TG mobile rental

Terminal rental service available in 30-day units



Collect terminals from corporations and reuse high-quality ones as rental items



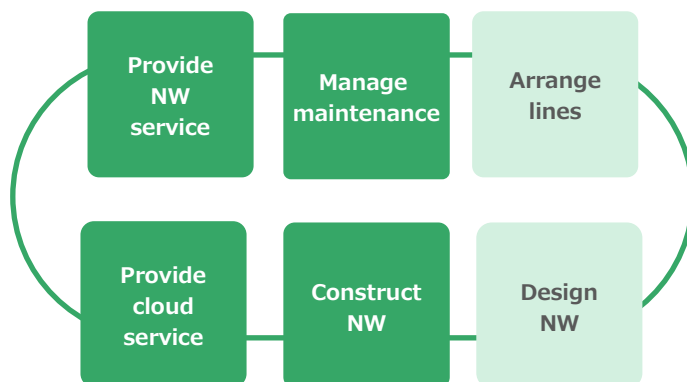
Wi-Fi router rental service that uses cloud SIM lines and can be used within and outside the country

## Improve service quality and expand products

# Evolve into a comprehensive network service provider



## Expand services to provide



Enable one-stop service that includes not only arranging lines but also providing advanced VPN service, constructing NW, managing maintenance, etc.

## Relay2



**Make Relay2, Inc.  
a consolidated  
subsidiary**

## Multifunctional-type Wi-Fi Edge computing equipment

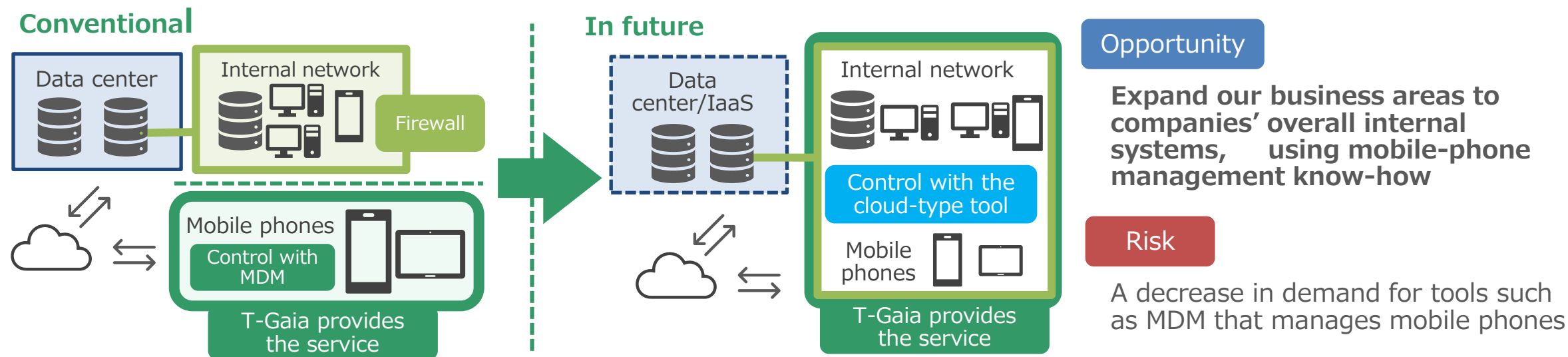


Strengthen Relay2's financial base and ability to develop products and businesses further

Continue to focus on expanding new business areas, using edge computing and others


**Realize the provision of more advanced services  
Expand businesses further**

## Response to businesses for corporations where cloud migration is advancing



### Initiatives

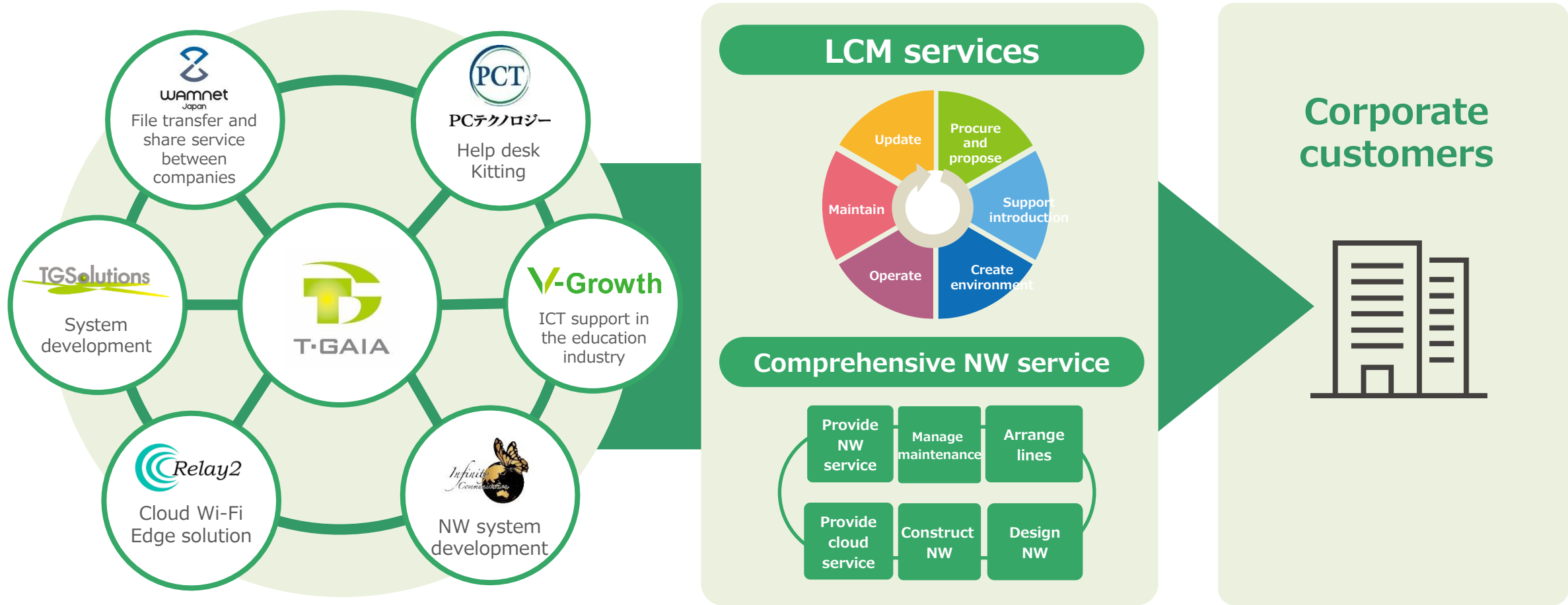
- Establish a project structure across relevant internal departments and Group companies
- Form a support team for large-sized customers

- 
- Establish operations for small- and medium-sized customers
  - Develop services in collaboration with partner companies

**Accelerate the implementation of initiatives in response to changes in the market**

# Collaboration within T-Gaia Group

## Collaboration within T-Gaia Group Enterprise solutions business



Strengthen collaboration and strive to expand services and products being provided

## Deliver digital gift codes → Expand products

### Digital Gift Codes

Gifts such as “QUO Card Pay” that can be given with e-mail and SNS

Complete online process from issuing codes to receiving them

No physical storage and delivery of products required and fee of charge

Promotion  
companies



Conduct the  
campaign

Outsourcing  
contract



Send the targets URL  
for receiving codes



Deliver  
digital codes

End users



Receive digital gift codes  
on the receiving website

### Initiatives

- Enable delivery through social media and SMS in addition to e-mail
  - Launch a new official website
  - Be adopted in the exchange programs of major point sites
- 
- Add new products
  - Start considering the development of original gift products

Deliver digital gift codes using an in-house server

Aim to expand sales volume and issuance further by enlarging product lines

Unique Branded  
Service Provider



## QUO Card Pay

### Participant stores



Convenience store



Drug store



Supermarket



DIY store



Home appliance mass retailer



Lifestyle store



Shopping mall



Fashion store



Restaurant



Cafe



Bar



Travel agency



Book store

Participant stores from a wide variety of categories

Continue to strive for further expansion of participant stores

## Expand issuance and participant stores further

### Campaign



\* The campaign already ended

Increase issuance by deploying various campaigns

## QUO Card × QUO Card Pay → Gift service of the new era



- Highly recognized by users
- Usable by anyone
- Usable throughout the country
- Possible to add more value to face value with original card designs



- Immediately issued and can be given shortly
- Usable with two taps and no application required
- Usable at a wide variety of stores

**Aim to provide a new impression as a gift service that combines the strengths of Physical × Digital**

- ◆ Well-known and trusted brand
- ◆ Pleased as sincerity is conveyed
- ◆ Can easily be given and used by anyone
- ◆ Can be used with peace of mind at familiar stores

# Collaboration within T-Gaia Group

## Collaboration within the Group QUO Card × T-Gaia



Strive to expand the business further using the strengths of both companies, which have common fields

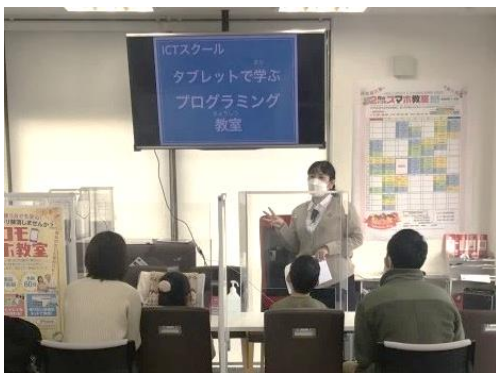


# Challenge for New ESG-related Fields <Society>

## ICT Education

### ICT education business for children

- Classes for kindergartens and nursery schools
- Online classes for elementary school students



Also start deploying classes at Docomo shops

## Agriculture

### T-Gaia's subsidiary TG Farm Inc.



Strawberry cultivation



Adopted as a reward for hometown tax donations

Contribute to regional revitalization with smart agriculture

## Healthcare

### Exercise class

Conduct trial senior exercise class using non-operating hours at shops

### Collaboration with FCNT

Considering a healthcare service in collaboration with



### Femtech

Plan to conduct demonstration experiments at a pop-up store towards the launch of femtech-related business

Initiatives also using our shops

## Challenge for New ESG-related Fields &lt;Environment&gt;



## Reusable Energy

T-Gaia's subsidiary  
TG Power Inc.



T-Gaia's logistics warehouse in Shiga

## Solar power system

Number of installations  
(as of April 2022)

About **300** cases

## BCP Solutions

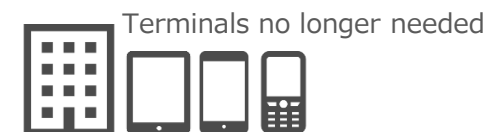
**V2H**

Storage  
battery  
system

Contribute to realizing a sustainable society  
by facilitating BCP measures  
and the use of reusable energy

## Collection of Terminals

## Support in collecting smart devices



Terminals no longer needed



Collect smart devices that are  
no longer needed by companies  
Reuse and recycle them after  
safely deleting data



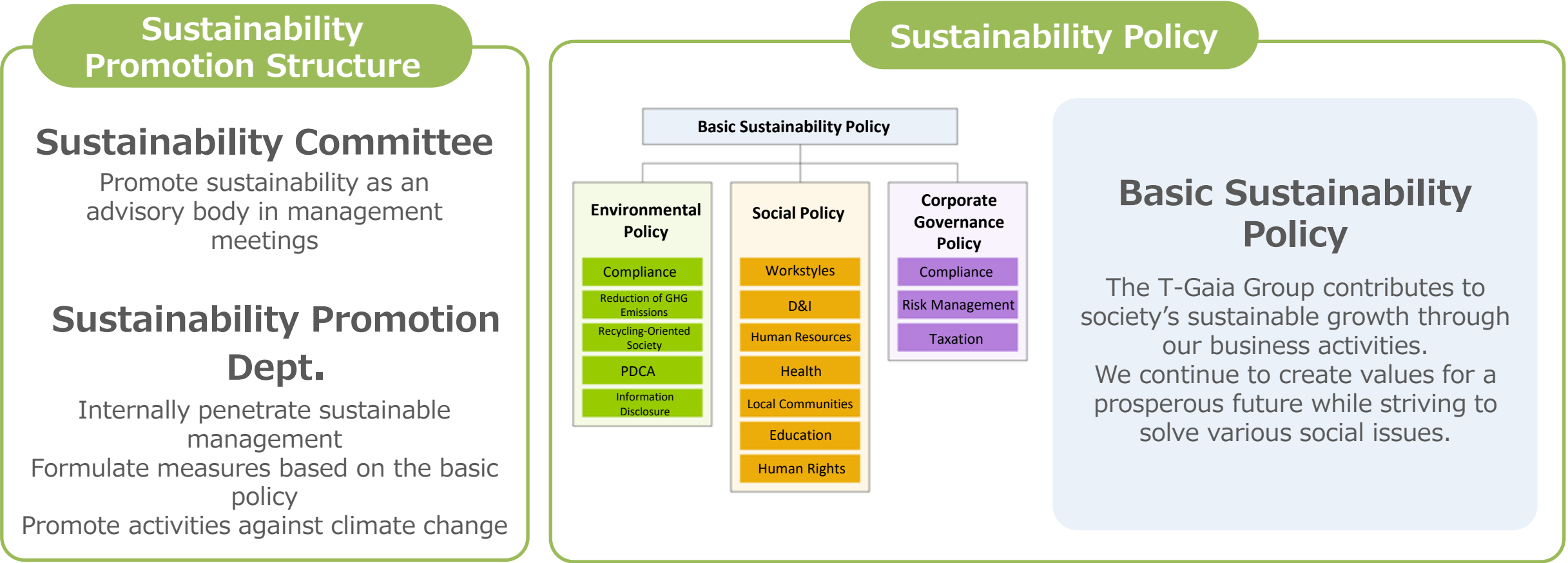
Reuse



Recycle

Plan to deploy the collection service not only  
for corporations but also for individuals

## Towards the promotion of sustainability



Establish promotion structure and determine policy

# Sustainability

## Expressed our support for the TCFD Recommendations Established a greenhouse gas reduction target

### Expressed our support for the TCFD Recommendations

December 2021  
Expressed our support for  
the Task Force on Climate-  
related Financial  
Disclosures (TCFD)



### Greenhouse gas reduction target

Interim target: Reduce greenhouse  
gas emissions by 50% in 2030  
(compared to FY2019)\*



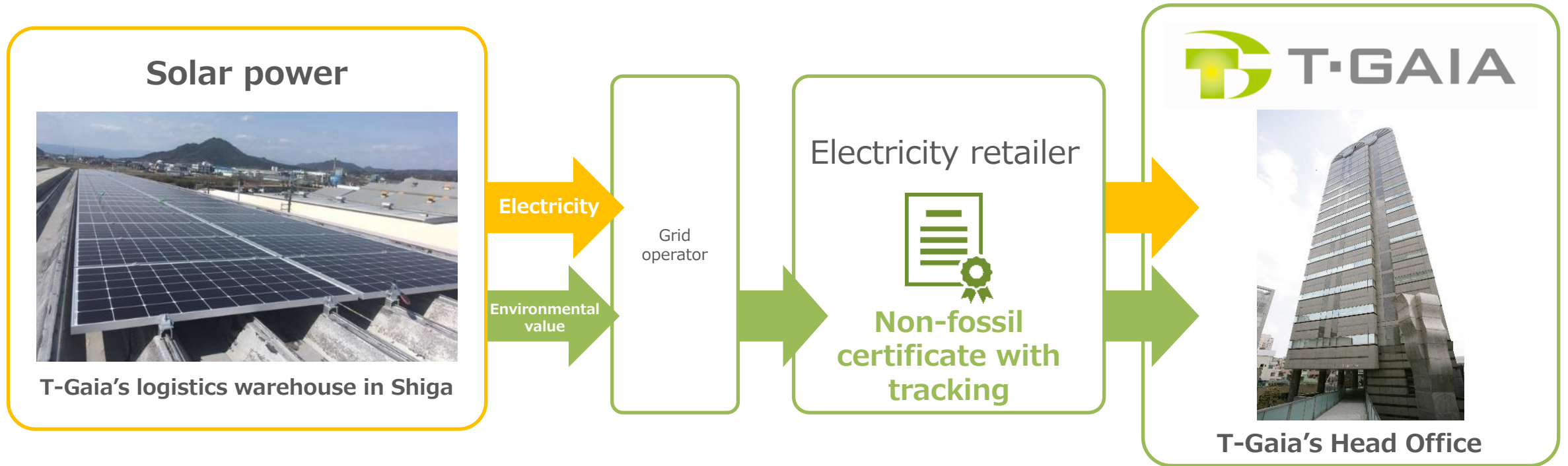
**Achieve carbon  
neutrality in 2040\***

\*Subject to Scope 1 and 2 (T-Gaia on an unconsolidated basis)

**Endeavor to reduce environmental burdens through our business  
activities and contribute to realizing a sustainable society**

# Sustainability

## Adopt renewable energy for in-house electricity consumption



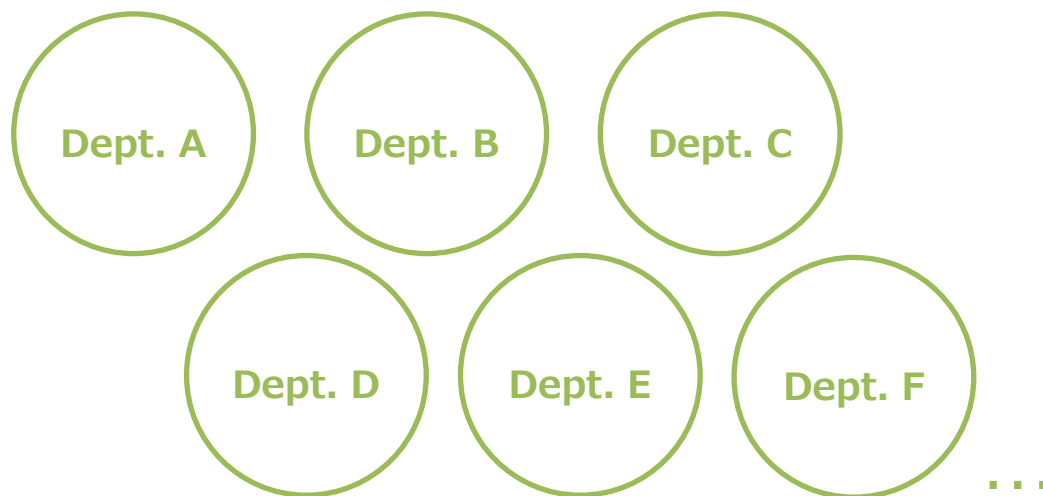
Use non-fossil certificate with tracking (environmental value) derived from T-Gaia's logistics warehouse in Shiga

Plan to adopt renewable energy for electricity consumed by the Head Office

**Implement initiatives towards carbon neutrality in 2040**

“People × Technology” → Strengthen by forming a group-wide cross-functional organization and human resource cultivation for digitalization

Construct and operate systems  
Promote BPR and DX  
Hire and cultivate human resources for digitalization



Group-wide cross-functional IT Organization



# References

# T-Gaia Corporate Philosophy



## TG Vision - T-Gaia's Corporate Vision -

T-Gaia will propose new ways of communication to provide our customers with excitement, delight, and safety.

## TG Mission - T-Gaia's Corporate Mission -

- We pledge to care for our employees and their families to ensure that everyone finds joy in work.
- We pledge to establish strong relationships of trust with our business partners, communities, and shareholders to strive for sustainable development together.
- As an industry leader, we pledge to stay ahead of changes and continuously take on new business opportunities.

## TG Action - T-Gaia's Code of Conduct -

- We pursue services that go above and beyond customers' appreciation.
- We take on new challenges proactively through our passion and with a sense of speed.
- We value communications to build a culture of openness and trust in the workplace.
- We respect our employees' diversity to foster the best teamwork.
- We strive for constant self-improvement as a team of professionals.
- We always act on high ethical standards and strengthen our compliance structure.





Lead the way toward the future  
&  
Take a leap for tomorrow

Medium-Term Management Plan

(FY 22/3 ~ FY 24/3)

# Be the company group to create value for the enriched future

~The company needed in society and contributing to society~

Increaseing corporate value  
by solving social issues through our business  
based on human resorces and technology

# Realization of TG Universe (an Ecosystem within T-Gaia)

## Breakthrough as an "Edge Enabler"

Maximizing our value through partnerships with other companies

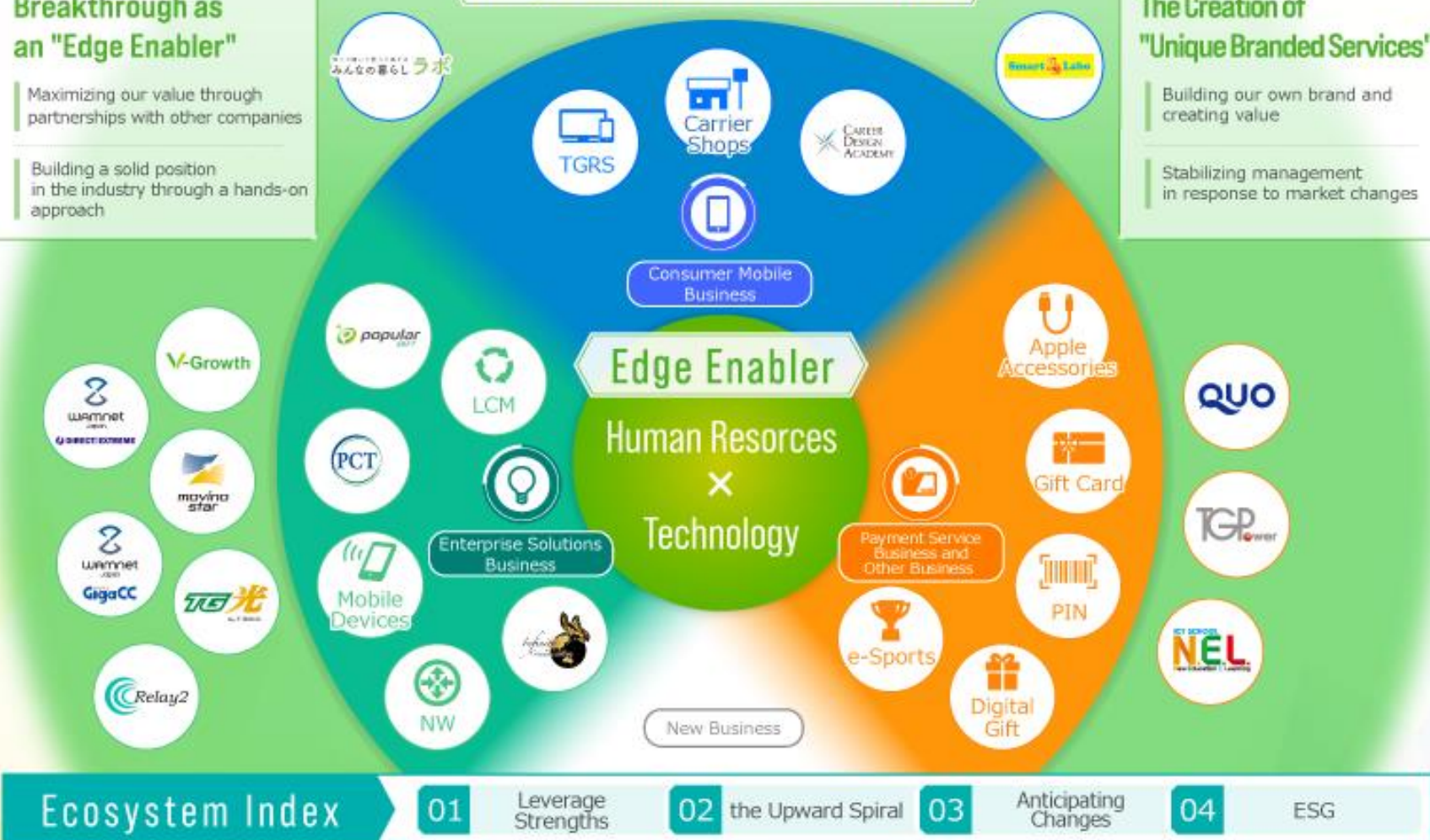
Building a solid position in the industry through a hands-on approach

## Unique Branded Service Provider

## The Creation of "Unique Branded Services"

Building our own brand and creating value

Stabilizing management in response to market changes





# Explanation of "TG Universe"

Our Goal : "A Comprehensive Provider of ICT-Related Domains"



Going back to the origin of our business, T-Gaia started by introducing the new long-distance and international lines to corporate clients.

Since then, we got into a business of the sale of mobile handsets for enterprises, which in turn, the operation of carrier shops, PIN and gift card business for convenience stores, the sale of mobile accessories, and enterprise solutions business based on sales of mobile handsets. The core businesses, with making alterations, have expanded over time.

These businesses have common in that we work in background, which does not show our company name but fills the gap among clients and customers.

We call this "Edge Enabler Business" and will continue to make it the core of our strategy.

By promoting company-wide collaboration and sharing of knowledge and experience, we will refine existing business and actively engage in the new "Edge Enabler Business" that meets the needs of the times.

On the other hand, especially in recent years, we have focused on developing our original services based on "Edge Enabler Business".

There are established brands such as QUO Card, WAMNET, and also developing ones such as TG Hikari and TG Power.

These are called "Unique Branded Service Provider Business".

Unlike the "Enabler Business", T-Gaia has the initiatives in "Unique Branded Service Provider Business", which will be the growth driver for the Group to increase flexibility.

## Realization of TG Universe (an Ecosystem within T-Gaia)



The whole sphere is a big ecosystem in T-Gaia.

We named it "TG Universe". The concept is expanding it without limit.

In addition to quantitative criteria such as expected profits and capital efficiency, both "Edge Enabler Business" and "Unique Branded Service Provider Business" are assessed by four "ecosystem indexes" to determine whether it works or not.

Four "ecosystem indexes" are as follows;

- ① "Can we leverage our strengths, which are our know-how, experience, and various assets?"
- ② "Can we create the upward spiral within the Group?"
- ③ "Can we expect the business being ahead of the curve with upside potential?"
- ④ "Can we contribute to ESG?"

The core of "TG Universe" is "Human Resources" x "Technology". Ever since T-Gaia was established, we have been committed to respecting our employees. Although we will continue to pledge to care for our employees and to put our highest priority on it, we will make the synergy to multiply "Technology" as highest priority issues. ICT technology is no longer an additional thing, but a necessary condition for our lives. In particular, we aim at internalization of ICT skills in order to make differentiation.

Enriching and expanding "TG Universe", we will continue to create value and contribute to the realization of the enriched future.

# Material Issues

Related to SDGs

01

Respecting diversity and Promoting human resource development

Creativity generated by diversity

Personnel policies which accommodate diverse values

Professional-level training



02

Make the most of ICT

Insourcing ICT skills

Improving productivity by BPR (Business Process Re-engineering)

Enriching the lives of our customers



03

Power up as an Enabler

Strengthening the ecosystem

Providing functions that anticipate changes

Enhancement of our carrier shops



04

Creating a corporate culture to take on new business challenges

Establishing organizations and systems to create opportunities

Active investment in growth domains

Creation of unique branded services



05

Sustainable development through collaboration with customers and business partners

Enhancement of customer satisfaction

Strengthen relationships with business partners

Listening to client needs attentively and making appropriate proposals



06

Creating shared value as a member of local communities

Coexistence with local communities through business

Eliminating the digital divide through ICT education

Functioning as a critical access point in local communities



07

Proactive approach to environmental issues and climate change

Contributing to reducing the burden on the environment

Promoting Renewable Energy Business

Providing support in the event of a disaster using our network



08

Enhancing corporate governance

Commitment to Compliance

Strengthening Group Governance

Enhancing information disclosure



# The Growth Strategy for Consumer Mobile Business

As a mobile phone distributor,  
T-Gaia will **maintain No.1** in both quality and scale of sales  
and **increase the significance** of carrier shops.

**Trusted**  
carrier shops

**Comfortable shops**  
where you can  
consult any time

**High-quality**  
nationwide  
sales network



**Expanding**  
**collaboration**  
with  
telecommunications  
carriers

**Development of**  
**human resource**  
and providing  
everyone  
for opportunities  
to use their skills

**Contributing to**  
**local revitalization**  
and activation

## Excellent shops

Being appreciated and trusted by customers through providing high-quality services and offering value that meets their needs

## High quality staff

Building a high-quality nationwide sales network by enhancing customer service skills and expertise of shop staff

## Life enrichment

Extending cooperation with telecommunications carriers to create services that enrich our customers' lives

## Regional revitalization

Staying close to the community and contribute to local revitalization and activation as an ICT base where you can consult at any time



# The Growth Strategy for Enterprise Solutions Business

## Expanding LCM Services Evolving into a Comprehensive Network Service Provider



### Solution consulting

Developing a sales style that caters to the needs of customers by proposing hypotheses as a professional in Enterprise Solutions

### Total support

In order to meet clients' needs, providing comprehensive support which includes proposing optimal operation plans, to procurement / adoption of devices, and also from operation and management to replacement of terminals

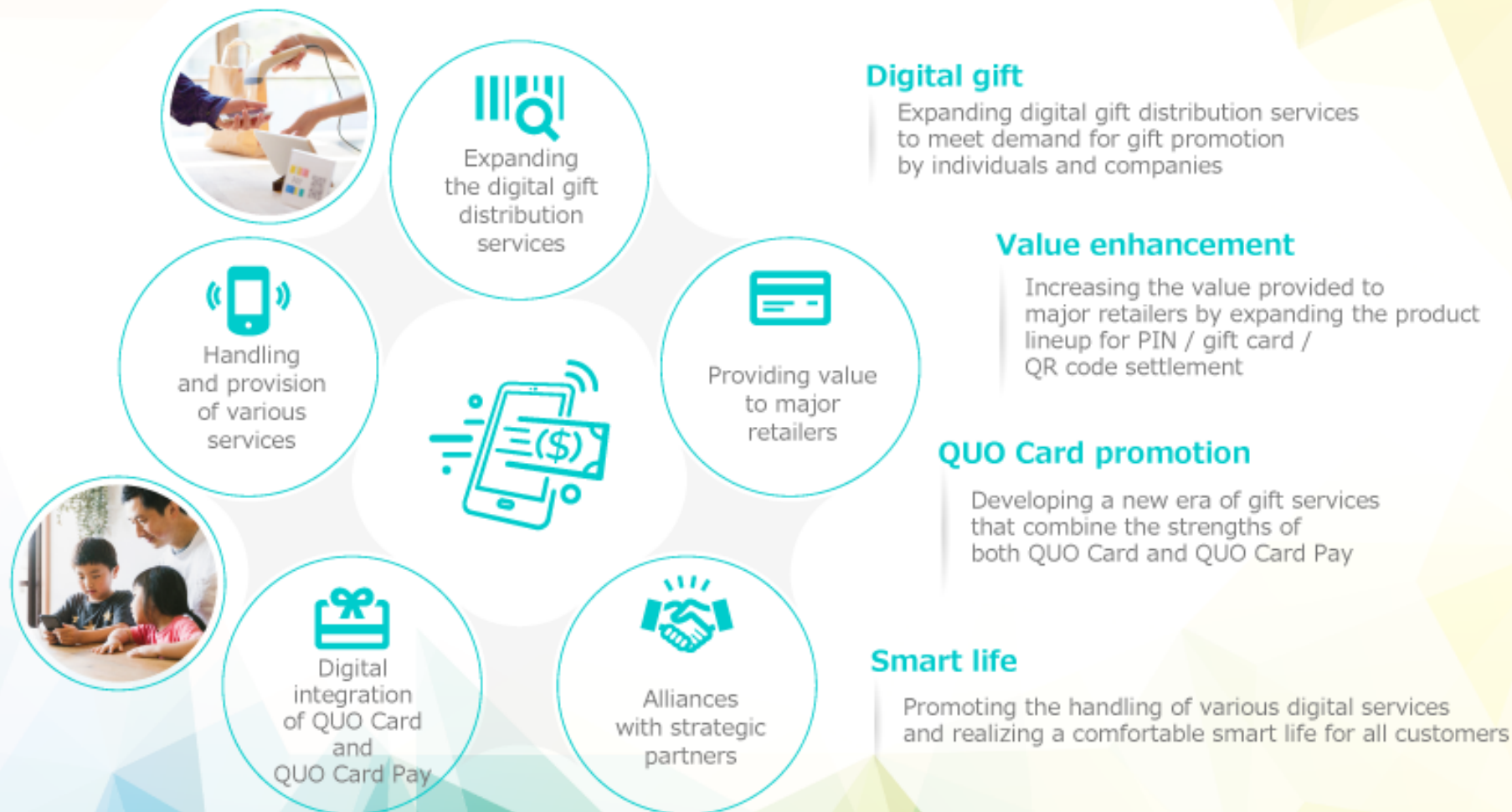
### Social contributions

Contributing to society by providing companies for services in response to the full-scale arrival of ICT

LCM Service= Life-Cycle Management related to operation and management of ICT

# The Growth Strategy for Payment Service Business

## Expanding the World of Digital Gifts to Realize a Comfortable Smart Life for Customers





# Growth Strategies for New Businesses

## Challenge and investment in growth areas in the future Contributing to ESG and SDGs



# Workstyles

Realizing an environment where all employees can work with excitement  
Continue to be the company that pledges to care for our employees and their families

## Employee-friendly

Pursuit of job satisfaction  
and ideal working condition  
of work for each employee

Professional-level training

Approval to have a side business /  
"FA", the personnel transfer system  
for employees to make  
the most of self promotion /  
In-house Recruitment System

Sufficiency of  
communication measures

## Diversity & Inclusion

Realizing diversity  
& inclusion

Promotion of active participation  
by women and  
handicapped employees

Promotion of L, G, B and T  
response

Enhancement of support systems  
in line with health management

## Various work-styles

Various workstyles  
regardless of time or place

Business reform  
through paperless work, etc.

Further enhancement of  
the telework environment

Flexible workstyles/  
environments (such as  
Flextime without Core Time,  
Free Address Office etc.)



### Enhancing of Governance

Improvement of  
the effectiveness  
of risk management  
in response to  
various and  
complex risks

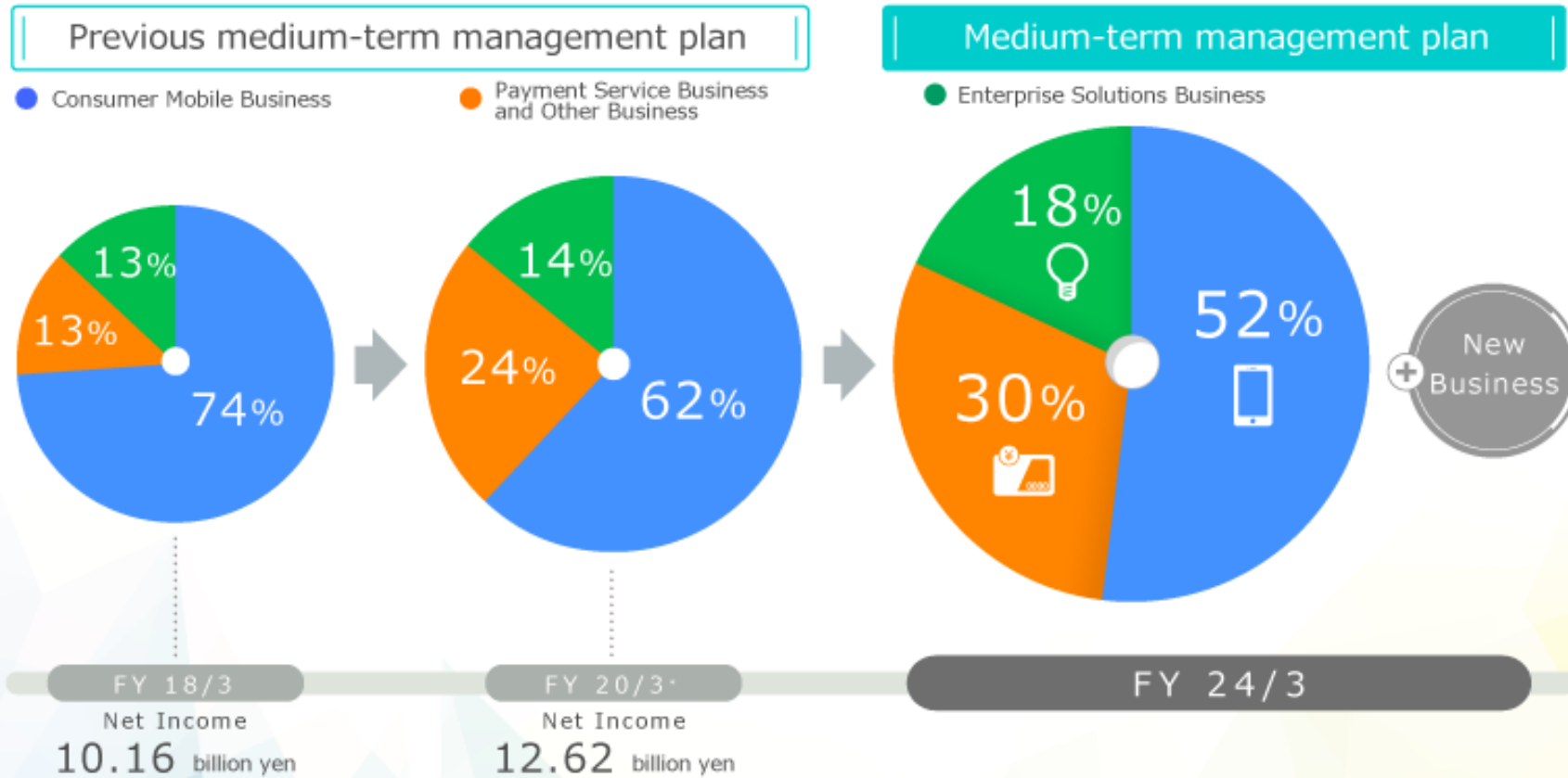
Enhancing and  
strengthening  
internal control systems  
to ensure  
the appropriateness  
of operations

Commitment to  
compliance and  
thoroughness  
to continue to be  
a trusted company

#### Policies for Group Companies

T-gaia aims to maximize the value of the TG Group  
by respecting the autonomy of group companies  
and supporting the establishment of  
management systems in response to business scale,  
characteristics and growth stages.

## Turning a profit structure dependent on Consumer Mobile Business to a well-balanced business portfolio

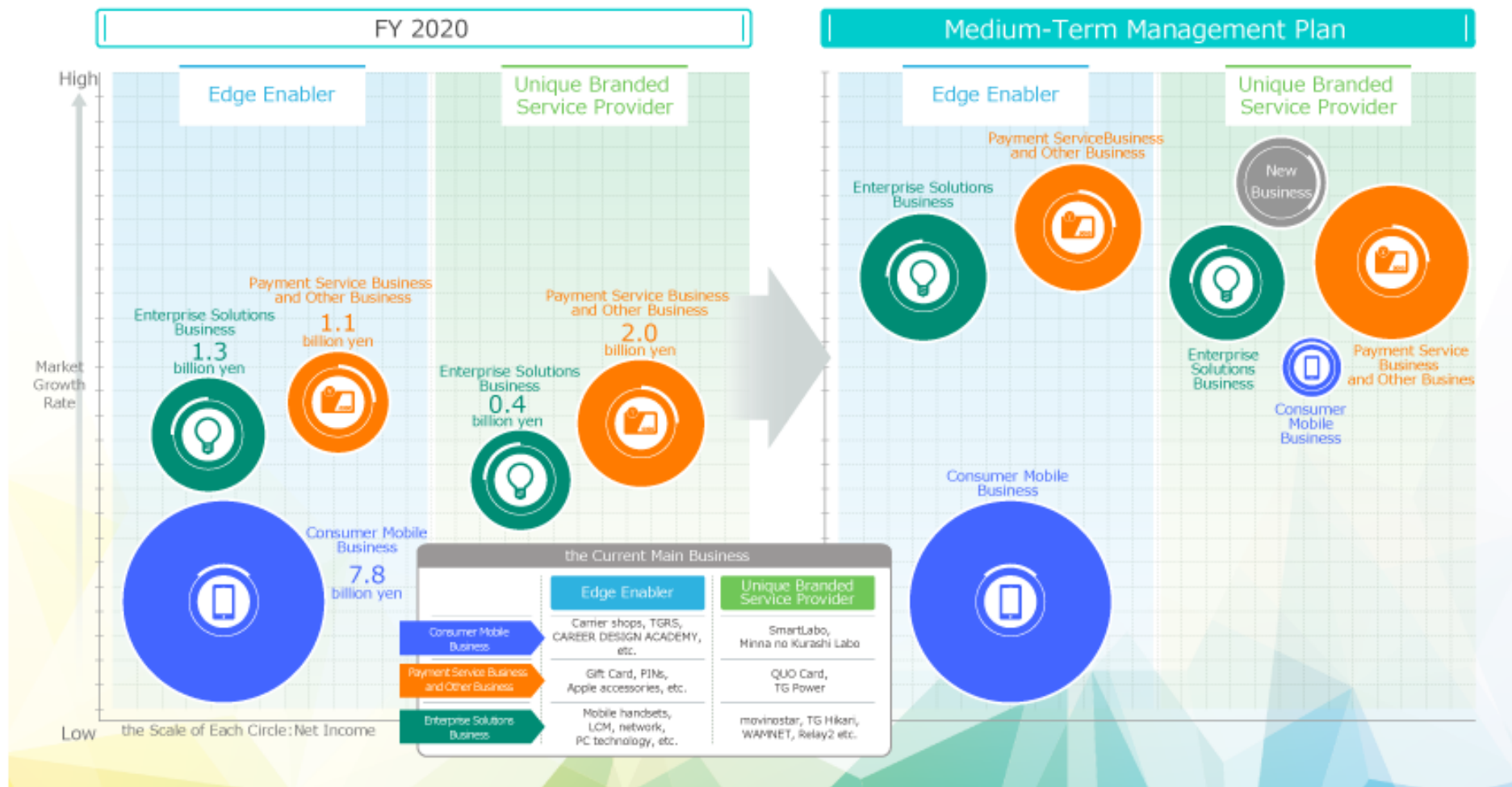


\*Because of the significant impact of COVID-19 in the FY 21/3, the profit structure for the FY 20/3 was adopted.

# The Image of Business Portfolio Transformation

## Growth Image of Each Business

Edge Enabler × Unique Branded Service Provider





# Change in Major Financial Indicators



Full-Year (%)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net Worth Ratio	39.0%	22.8%	26.1%	30.4%	27.4%	29.2%
Return on Equity (ROE)	29.7%	30.9%	33.3%	24.8%	21.9%	15.7%
Return on Invested Capital (ROIC) * <sup>3</sup>	17.7%	21.6%	29.3%	25.0 %	18.9 %* <sup>1</sup>	12.1%
Operating Margin on Sales	2.6%	2.6%	2.9%	2.9%	3.3%* <sup>2</sup>	2.2%
Dividend on Equity Ratio (DOE)	9.9%	9.3%	10.0%	8.2%	7.0%	6.2%

\* 1 Liabilities increased in FY2021 due to securing funds for being prepared for the impact of COVID-19 and long-term borrowings for large-scale M&As.

\* 2 Changes in accounting standards, which became effective in FY2022, are retroactively applied in FY2021.

\* 3 The percentage is calculated including income from hoarded cards.