



T-Gaia Corporation

Integrated Report 2024

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.**

[Explanation] Our vision makes it clear that we don't just suggest and supply products, we supply communication tools and services that are optimally tailored to our customers' lifestyles, enriching customers' lives and making them more convenient and enjoyable. Through this, we are creating the future.

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.**

[Explanation] Our most important assets are our human resources. We create a corporate culture that values not only our employees but their family members and partners, and the environments that surround them (their private lives). It is a corporate culture in which employees can achieve self-realization and growth through their work. We place great importance on sustainably growing by maintaining a win-win relationship of mutual trust between T-Gaia and everyone involved with it, all of whom are precious to us.

Also, as an industry leader, our Corporate Mission makes it clear that we will be at the forefront of responding to societal changes and needs, paving the way to the future.

Profile



T-Gaia is expanding its business in three areas to support the new era: Consumer Business, Enterprise Business, and Social Innovation & QUO Card Business. We will propose new solutions while also strengthening cooperation with Group companies, not only in terms of C-to-C communication, but also B-to-C and B-to-B communication. Simultaneously, we will develop into the corporate group to create value for the enriched future.

Origin of the Corporate Name

Our corporate name represents our commitment that we aim to become a grand company like the earth nurturing the lives of all people across the world by continuing bold challenges with integrity toward the future.

This commitment is also reflected in our corporate vision, "Lead the Way toward the Future & Take a Leap for Tomorrow."

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.**

[Explanation] We strive for constant self-improvement as a team of professionals, continually developing services that offer customers excitement, delight, and peace of mind like never before. We are passionate about providing these to customers, and we act swiftly and boldly, without fear of failure and never giving up.

We believe that it is important for all employees to respect each other and frankly express their opinions and reach new heights, regardless of their respective positions or attributes. Everyone must actively work to create workplaces that are conducive to this and to perform to the best of their abilities.

Compliance with laws and regulations alone is not enough. What is demanded of us changes day by day. Our Code of Conduct makes it clear that in both our work and in our private lives, we must behave sensibly and appropriately in a way that allows us to hold our heads up high before our family members and loved ones.

TOMORROW + GAIA

It derives from the Goddess of Earth in Greek mythology and represents the Earth as One Enormous Life Form.

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Editorial policy

This integrated report has been published with the aim of sharing T-Gaia's initiatives for improving medium- and long-term corporate value with all of its stakeholders.

This fiscal year, under our new Medium-Term Management Plan, we reorganized into three business units: the Consumer Business Unit, the Enterprise Business Unit, and the Social Innovation & QUO Card Business Unit. To realize Our Goal—creating a better future for customers and contributing to society through “the desire to connect”—we are working as one to solve the TG Material Issues, which are key issues facing the company.

In this report, we explain our vision, growth strategies, and specific initiatives, with a focus on the Medium-Term Management Plan, to deepen your understanding of our company.

In the section titled “Our Aims: Desire for Reform,” we detail our directions for reform and Our Goal.

In the section titled “Our Strategies: Approaches and Methods of Reform,” we explain the approaches and methods that we will use for reform through our financial strategy, DX strategy, human resource strategy, TG Material Issues, and the strategies of each business unit, based on the new Medium-Term Management Plan launched this fiscal year.

In the section titled “Our Strengths: Drivers of Reform,” we introduce initiatives for the various types of capital that surround us, as well as a roundtable discussion with our young employees at T-Gaia.

While this report covers information that is especially material for improving T-Gaia's corporate value, more detailed information is available on our Company website.

Investor Relations

<https://www.t-gaia.co.jp/corp/en/ir/>

Sustainability

<https://www.t-gaia.co.jp/corp/en/sustainability/>

Guidelines Referenced

This report was compiled while referencing the International Integrated Reporting Framework of the IFRS Foundation.

Caution Regarding Forward-Looking Statements

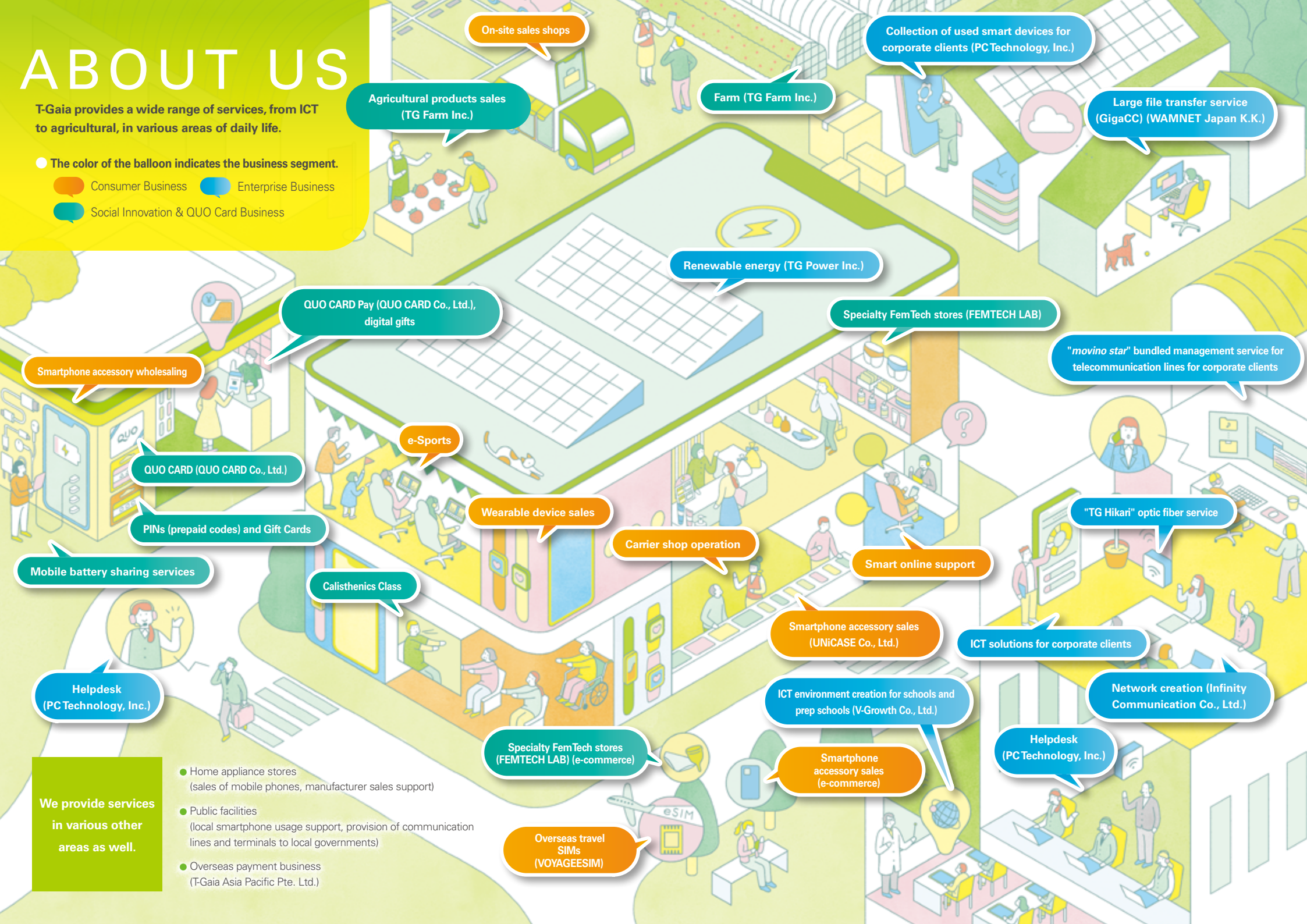
This report contains statements about the future plans, strategies, and performance of T-Gaia Corporation, which are not historical facts and are based on management's assumptions taking information currently available into consideration. T-Gaia's actual results could differ materially from those described in these forward-looking statements as a result of factors including changes in general economic conditions, competitiveness in our industry, currency exchange rates, tax regulations, and other regulations. Please be aware that these variables impart potential risk and uncertainty to any forward-looking statements.

ABOUT US

T-Gaia provides a wide range of services, from ICT to agricultural, in various areas of daily life.

● The color of the balloon indicates the business segment.

- Consumer Business
- Enterprise Business
- Social Innovation & QUO Card Business



We provide services
in various other
areas as well.

- Home appliance stores
(sales of mobile phones, manufacturer sales support)
- Public facilities
(local smartphone usage support, provision of communication
lines and terminals to local governments)
- Overseas payment business
(T-Gaia Asia Pacific Pte. Ltd.)

OUR BUSINESS

Organizational restructuring to shift to customer-centric business based on a market-in perspective

In this rapidly changing business environment, we believe it is essential to shift from the traditional “product-out” approach to a “market-in” perspective that views our offerings from the customers’ perspective.

Under our new Medium-Term Management Plan, we will implement three growth strategies: shifting to customer-centric business, providing community-based solutions to social issues, and collaborating with strategic partners. To achieve these strategies, we have restructured our organization into three business units focused on consumers, enterprises, and local communities, effective from FY2025.

Until FY2024

Consumer Mobile Business

Enterprise Solutions Business

Smart Life & QUO Card Business

From FY2025

Consumer Business

Summary of business

- Mobile phone and other communication services contract brokerage, and mobile phone distribution
- Store operations support and provision of services for consumers in a new store format
- Wholesale of smartphone accessories to convenience stores and other retail business
- Sale of smartphone accessories at directly managed shops, including e-commerce sites, utilizing OMO*

*Online Mergers with Offline

Enterprise Business

Summary of business

- Mobile phone and other communication services contract brokerage, and provision of line management services.
- Support for the adoption of devices and services, operation, maintenance, and collection
- Contract brokerage and sale of fiber optic line services
- DX support mainly for small- and medium-sized enterprises
- Provision of renewable energy utilizing solar power generation systems

Social Innovation & QUO Card Business

Summary of business

- Sale of e-money products and Gift Cards using a prepaid code (PIN) sales system
- Issuance and settlement of QUO CARD and QUO CARD Pay, and sale of card-related equipment and maintenance services
- Operation of FemTech* stores including e-commerce sites, and healthcare initiatives
- Contribution to solving regional issues

* Merchandise and services that use technology to address women's health issues.

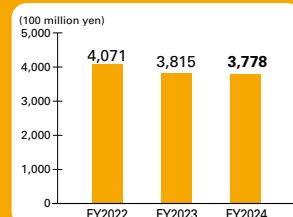
OUR BUSINESS

Consumer Business

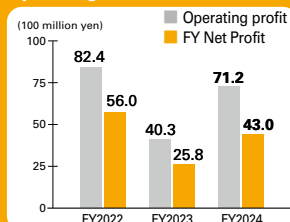
**Provide service that goes beyond “thank you”
to pursue further business growth**

T-Gaia provides mobile phones, tablets, smart device-related products, and content services to individual customers through a large network of approximately 1,800 sales sites across Japan. In addition to wholesaling smartphone accessories and other products through major convenience stores and other channels across Japan, we also operate a retail service business through directly managed shops and e-commerce sites. We offer comprehensive support for customers' enriched and smart lives through a wide range of products and services that deliver added value.

Net sales



Operating Profit / FY Net Profit



* Prior to reclassification of business segments

Market Share for Sales of Mobile Handsets, etc.
(According to a study by IMM Research Institute, Ltd.)

No.1

(Cumulative for FY2024)

No. of Group Sales Sites
(including accessory shops)

1,781

(As of March 31, 2024)

No. of Contracts (mobile phones, etc.)
(including telecommunications carrier
sub-brands, MVNOs, etc.)

3,380 thousand

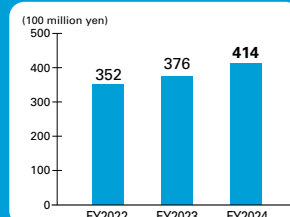
(Cumulative for FY2024)

Enterprise Business

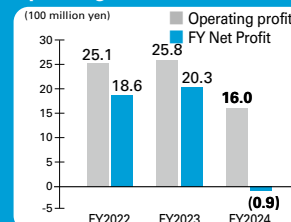
**Support DX implementation by
customers by proposing optimal IT solutions**

In addition to selling smartphones, tablets, and other devices, as well as network contracts, T-Gaia provides a one-stop service for everything from supporting the adoption of these products to helpdesks, operation and maintenance, and collection. We also leverage years of know-how to provide diverse customers with optimal solutions, regardless of company size, industry type, or business format, and offer strong support for DX implementation by our customers.

Net sales



Operating Profit / FY Net Profit



* Prior to reclassification of business segments

No. of Corporate
Clients

Approx. 12,000 companies

(No. of companies recording sales for FY2024)

No. of *movino star**
Corporate Clients

Approx. 2,100 companies

(As of March 31, 2024)

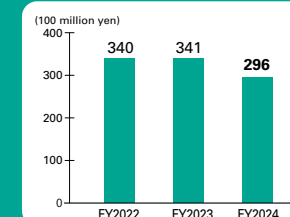
* Bundled management service for telecommunication lines for corporate clients

Social Innovation & QUO Card Business

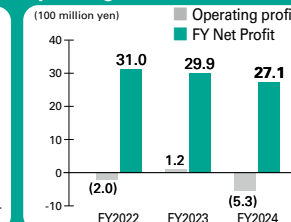
**Solve social issues through business and
contribute to society while pursuing profits**

T-Gaia engages in the sale of electronic money products, ranging from gift cards to prepaid codes (PINs), the issuance of QUO CARD and QUO CARD Pay, the operation of FemTech stores, including e-commerce sites, and the planning of healthcare-related services. We help solve social issues in local communities through a diverse range of businesses, while creating new ones at the same time.

Net sales



Operating Profit / FY Net Profit



* Prior to reclassification of business segments

No. of Stores Selling PINs
(prepaid codes) / Gift
Cards

59,233

(As of April 30, 2024)

Total Number of QUO
CARDs Issued

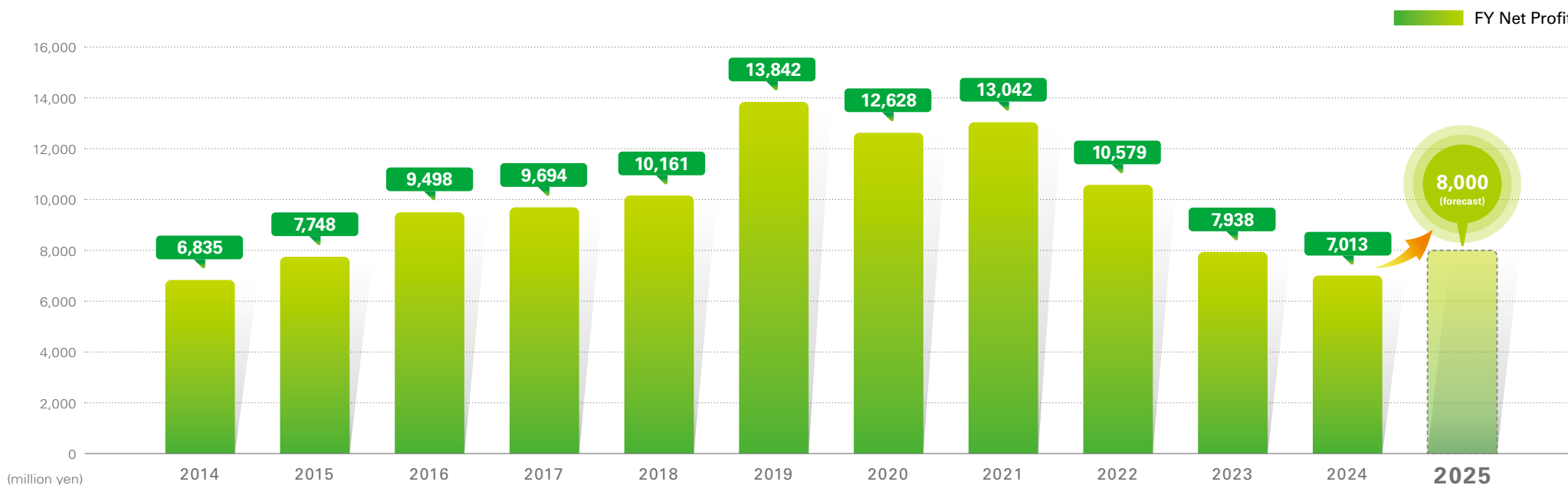
Approx. 1 billion

(As of March 31, 2024)

* Explanations of each business are provided as new business segments.

* The business results are for periods prior to the reclassification of business segments.

T-Gaia's History



Background to T-Gaia's Foundation



Business Development Aligned with Changes in the Social Environment

T-Gaia Corporation incorporated in a merger of equals of MS Communications Co., Ltd. and Telepark Corporation in 2008. As the largest primary agent for telecommunications carriers in Japan, T-Gaia supports the ideal smart life for the individual customer's needs through its diverse sales channels.

As the business environment changes, we are developing our core business with a focus on sales of mobile phones to corporate clients, operation of consumer mobile phone sales shops, sales of PINs (prepaid codes) and Gift Card to convenience stores, sales of mobile phone accessories, and provision of mobile solutions for corporate clients.

T-Gaia's History

Birth of T-Gaia (2008)

T-Gaia was established as a telecommunications subsidiary of three major conglomerate groups in anticipation of market growth associated with advancements in mobile phone features.

As the new normal emerges, marked by the evolution of traditional feature phones into smartphones and other technological advancements, T-Gaia was established with the goal of providing telecommunications that connect people. The philosophy of "connection" has been passed down to this day.

Entry into ESG-related Businesses (from 2018)

T-Gaia provides solutions for business continuity planning (BCP) and ESG management.

As advancements in IT technologies have enriched people's lives, there has been an increasing demand to reduce environmental impacts. In this context, T-Gaia's subsidiary, TG Power, launched a corporate solar power generation Power Purchase Agreement (PPA) service, where the systems are owned by third parties. In 2021, T-Gaia established TG Farm, an agricultural corporation, to contribute to regional revitalization. In 2023, it expanded its farmland and continues to increase productivity.

Launch of Proprietary Services for Corporate Clients (from 2010)

T-Gaia's proprietary services were developed to meet diverse corporate demand.

T-Gaia has developed approximately 20 proprietary services, including *movino star*, a billing processing and bundled IT asset management tool used by about 2,100 companies with a total of 100 IDs, and TG Hikari, a fiber optic service for corporate clients. To meet the diverse needs of clients, we will continue developing products and services and provide IT and DX support to clients.

Mobile Shop Reform (from 2021)

T-Gaia becomes a smart life support hub, offering a range of services to customers in local communities.

T-Gaia is enhancing customer convenience by providing added value beyond mobile phone sales, such as online customer service at shops and the adoption of healthcare services. From efforts to eliminate the digital divide to the revitalization of local communities, T-Gaia is supporting comfortable and enriched lives by connecting customers with society.

New Efforts in the Gift Card Market (from 2017)

QUO CARD Co., Ltd. was acquired as a consolidated subsidiary to expand the gift card market and create new services.

T-Gaia launched initiatives to create a digital QUO CARD by combining the foundation of the Payment Service Business it cultivated with its track record as the issuer of QUO CARD. In 2019, it launched QUO CARD Pay, a smartphone payment-type digital gift, and continues to expand this service.

Venturing into New Business Areas (from 2022)

T-Gaia aims to create economic value by supporting the active participation of women.

T-Gaia launched its FemTech business to help solve issues faced by working women. In 2023, it opened its first salon-style FEMTECH LAB in Ebisu, Tokyo. It also launched an online shop around the same time and is expanding its health solutions business that organically integrates the real and digital worlds.



Our Aims



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Our Goal



Creating a better future for customers and contributing to society through “the desire to connect”



Message from Top Management

Under the new Medium-Term Management Plan, we will accelerate business reform from a market-in perspective and efforts to further reinforce our management foundations.

Masato Ishida
President and Representative Director,
Chief Executive Officer



Message from Top Management

01

Completion of the Previous Medium-Term Management Plan

We have completed the final year of our previous Medium-Term Management Plan. In the mobile phone market, replacement demand declined due to factors such as price increases associated with enhanced handset features, as well as the impact of yen depreciation and rising prices, resulting in handset demand falling below 30 million units. Furthermore, price discounts due to intensified competition for acquiring new contracts, along with an increase in SG&A expenses, led to a significant deterioration in the profits of our mainstay business, the Consumer Mobile Business.

Under such circumstances, we have made efforts to recover business performance through cost reductions by improving efficiency and expanded sales of our original product offerings. Since the previous year, the number of customer visits per shop has shown an increasing trend, and there are signs of market recovery, along with easing competition for acquiring new contracts.

Shops are required to incorporate new functions, such as collaboration with financial services, and there are also expectations for more sophisticated smartphones, such as on-device (Edge) AI. Therefore, I believe the future of the Consumer Mobile Business is bright from a mid- to long-term perspective.

During the previous Medium-Term Management Plan, we reallocated investments and our human resources to the Enterprise Solutions Business and Smart Life & QUO Card Business segments to enhance our portfolio in non-Mobile Business segments. However, in the Enterprise Solutions Business, profits were under pressure due to factors such as increased depreciation expenses from system investments and costs associated with withdrawing from unprofitable businesses. In the Smart Life & QUO Card Business, we embarked on new

business initiatives that required upfront investments. As a result, the contributions to profits from both businesses were limited.

During the previous Medium-Term Management Plan, I believe we were able to steadily implement the strategies planned for each business segment. On the other hand, our challenges became evident again—specifically, our businesses' dependence on the external environment such as market conditions and the policies of telecommunications carriers.

I believe that solving this challenge is the main theme of our new Medium-Term Management Plan, which I will explain later.

In the meantime, we announced the T-Gaia Group Sustainability Policy and implemented initiatives to address environmental and social issues, which I believe have brought us a step closer to achieving our goal of sustainability management. In addition, I believe we made significant progress in enhancing governance. This includes increasing the number of independent outside directors to a majority of the Board, making improvements based on assessments of the Board by external members, operating the Nomination Advisory Committee and the Compensation Advisory Committee led by outside directors, and improving key meetings for business execution such as the Management Conference.

02

What We Aim to Achieve in the New Medium-Term Management Plan

TG Material Issues to Realize Our Goal

In May, we announced our new Medium-Term Management Plan, which started this year.

In the new plan, we defined “Our Goal” as follows:

Creating a better future for customers and contributing to society through “the desire to connect”

In defining the above goal, we have incorporated the following thoughts: our desire to contribute to society through business by fully utilizing our strengths in human resources and locations across the country, as well as our commitment to deeply connect with various customers, understand their desires, and provide them with excitement, delight, and safety, as stated in our Corporate Philosophy.

We have identified five TG Material Issues as key to achieving Our Goal.

Our Goal and the TG Material Issues have been determined through extensive discussions in working groups led by mid-level and junior employees who will lead our company's future. Additionally, for the first time, we have set KPIs for each item of the TG Material Issues and will make improvements while conducting regular monitoring.

From Product-out to Market-in

In our marketing strategies, the theme is business transformation from a market-in perspective.

This involves reshaping our mindset to overcome the challenge of being easily influenced by the external environment, as mentioned earlier.

We have been providing devices, such as mobile phones, and network contracts to customers who are visiting our shops. In the Enterprise Solutions Business, we have been offering a range of products and support, in addition to these devices and contracts, for corporate clients. Furthermore, in the Smart Life & QUO Card Business, we have been providing services such as payment services and healthcare. These businesses, based on a “product-out” approach, along with the supporting network, constitute our strength.

On the other hand, we aim to transform our business by reviewing all businesses from the customers' perspectives. This involves asking ourselves what customers visiting our shops

Message from Top Management

actually want, what issues our corporate clients' owners are facing, how we can help solve them, and how we can address the challenges residents face in collaboration with local governments as part of our regional revitalization initiatives. We refer to this as a "market-in" perspective, which involves making efforts by changing our perspectives.

For this, we have also reviewed our organizations from the customers' perspectives and reorganized them into the Consumer Business Unit, the Enterprise Business Unit, and the Social Innovation & QUO Card Business Unit. QUO CARD Co., Ltd. has the most connections with local governments among our Group companies, and I believe that collaboration with this company is essential.

Regarding our specific measures, please view the newly prepared Medium-Term Management Plan Explanatory Video¹, in addition to the materials posted on our corporate website. We would greatly appreciate it if you could view the video.

Our new major initiatives include launching our original shops in the Consumer Business Unit, creating dedicated industry-specific organizations to address the challenges faced by our corporate clients and developing "Marutto Jo-shisu" as a one-stop solution service in the Enterprise Business Unit, and deploying regional revitalization teams in each area, along with providing new QUO CARD services in the Social Innovation & QUO Card Business Unit.

Financial KPIs for Strengthening Our Management Foundations

Since the previous Medium-Term Management Plan, we have set operations KPIs for each business and are reinforcing the PDCA cycle.

Regarding financial KPIs, we have set several KPIs and started monitoring ROIC for each business segment, in addition to net profit.

On a company-wide basis, we aim to establish, at an early stage, management foundations capable of consistently and steadily achieving a net profit of 10 billion yen or more and an ROIC of 10% or higher.

To this end, we have decided to implement a voluntary early retirement program, as previously announced, to further strengthen our corporate structure. We undertook BPR² activities across the company under the previous Medium-Term Management Plan. We also continued to provide IT education to all employees and implement digital human resources training for selected candidates, while working to improve operational efficiency and productivity by utilizing RPA and AI. However, the high ratio of indirect personnel has been a long-standing issue. For this reason, we are implementing this retirement program in the first year of the new Medium-Term Management Plan to further reinforce our corporate structure. At the same time, we will optimize personnel composition by increasing the number of shop staff, who are currently in short supply, and transitioning to a job-based personnel system to create an efficient structure. Through this approach, we aim to promote the engagement of younger employees and women.

DX Strategy

P.23 ▶

See our website for details

▶ <https://www.t-gaia.co.jp/corp/img/dx2.pdf> (Japanese only)

Instilling the New Medium-Term Management Plan Within the Company

While we announced our new Medium-Term Management Plan for the next three years, both internally and externally, I believe that the most important factor for achieving the plan is that the senior management team, including myself, demonstrates leadership and that all our employees understand the direction of the plan and contribute to our organizational strength. To this end, I have set up ten venues to explain the concept of the new Medium-Term Management Plan in my own words at the head office, regional headquarters, and branches, and to conduct extended question-and-answer sessions. In addition, I have also set up venues for opinion exchanges at each level, as well as for explanations to our Group companies. I have received various constructive opinions from our employees and aim to incorporate these insights

into the implementation of the plan. Furthermore, we plan to continue these dissemination activities, primarily led by the Corporate Planning & Strategy Department, as an ongoing effort rather than a one-time event, while also enhancing our periodic reviews. I believe it is necessary to proactively modify our strategies, as changes in the business environment and underlying assumptions may occur, as we observed during the previous Medium-Term Management Plan.

¹ Medium-Term Management Plan Explanatory Video

<https://www.t-gaia.co.jp/corp/ir/plan/#anc1> (Japanese only)

² Business Process Re-engineering. This refers to fundamentally reviewing and revising existing organizations and systems to better address fundamental objectives, redesigning operations, procedures, management organizations, and information systems from a process-oriented perspective.

03

Creation of Long-Term Corporate Value

The world is poised to undergo tremendous changes. With the evolution of generative AI and other advancements, the singularity³ (technological singularity), where AI outstrips human intelligence, is expected to occur in the near future, years ahead of the previously predicted year of 2045. I believe the evolution of smartphones and tablets, which have changed people's lives, will be further advanced by the integration of AI. While wearable devices have already emerged, the shape of smartphones themselves will also change. Research is underway to develop smartphones that do not require charging, are transparent, and are chip-based. However, the function of telecommunications in connecting people is set to become even more important. At T-Gaia, we will sensitively read how new technologies change people's lives and continue to consider how we can support these changes. I believe that "the desire to connect" in Our Goal will always be at the core of our corporate value.

I also believe that what society needs will always change. We are facing a range of challenges in addition to the environmental issue of global warming. When we turn our eyes to the world, we

Message from Top Management



still see that wars never end, and I believe that many issues will continue to exist due to food problems and poverty, which cause hunger. In Japan, too, the concentration of the population in major cities remains unchanged, with disaster measures lagging behind.

Although we stated in the new Medium-Term Management Plan that sustainability management is at the core of our company, there are many challenges to address, and I spend my days wondering how we should contribute to society. However, I believe that working to reform existing businesses and taking on the challenge of new businesses, always based on the principle of sustainability management, will definitely lead to the creation of corporate value in the long term.

³ The theory that the evolution of autonomous artificial intelligence will give birth to an intelligence that surpasses that of human beings

04

Message to Stakeholders

We will continue to value dialogue with our shareholders, customers, telecommunications carriers, and other business partners. We hope to meet the expectations of our shareholders and all stakeholders by ensuring the directions set in the new Medium-Term Management Plan and delivering results both qualitatively and quantitatively. At the same time, we will promote and foster engagement among the employees of T-Gaia and T-Gaia Group companies, while growing together with them.

We would like to express our gratitude to all our stakeholders for their continued guidance and support.

Our Strategies



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Value Creation Process

Our Goal

Creating a better future for customers and contributing to society through “the desire to connect”

TG Vision: Proposing new ways of communication to provide our customers with excitement, delight, and safety.

T-Gaia's Portrait of the Future

INPUT PROCESS OUTPUT OUTCOME

Human Capital

Employees (consolidated) 4,971
Mobile handset sales professionals included in the above 2,620

Intellectual Capital

Training & education sessions (annual) 215
Shop management, human resource development know-how
BPR know-how and RPA internal production training
* No. of RPA training participants Total of 630
* No. of RPA scenarios currently in operation 422

Social and Relationship Capital

No. of corporate clients Approx. 12,000
No. of Stores selling PINs (prepaid codes) / Gift Card (convenience stores, etc.) 59,233

Manufacturing Capital

Head office, regional headquarters, and branches 9
Group companies 15
No. of sales sites (including mass retailers, multi-carrier shops, and accessory shops) 1,781

Natural Capital

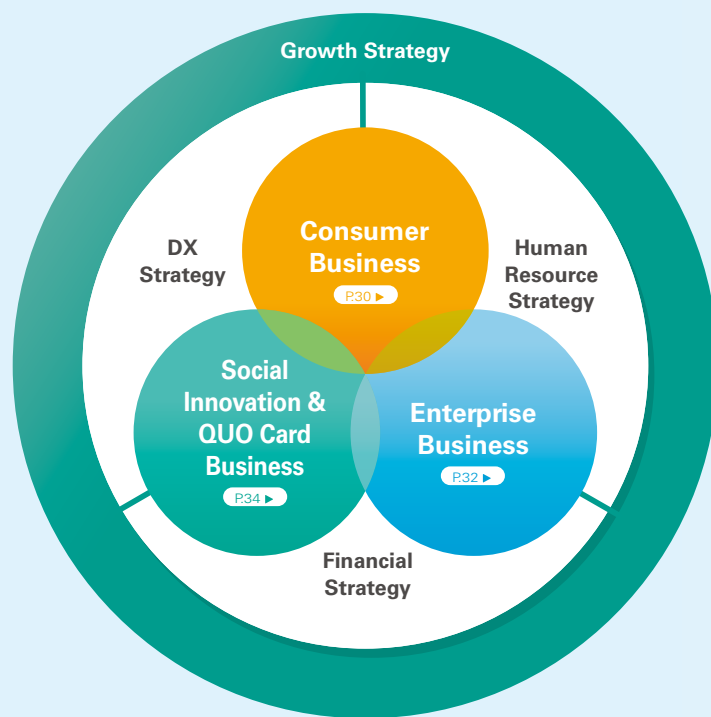
Energy consumption (annual) 0.03671 kL/m²
* Calculations from FY2024 are based on the revised Act on Rationalizing Energy Use
CO₂ emissions (annual) 8,192.8 CO₂e-t
* Scopes 1 & 2 (non-consolidated basis)

Financial Capital

Net assets 77,404 million yen
Equity ratio 31.2%
Net D/E ratio -0.56 times

“From Product-out to Market-in”

Medium-Term Management Plan



P54 ▶

Corporate Governance

P27 ▶

Material Issues

Net Profit by Each Segment

	(million yen)
Consumer Mobile Business * Current Consumer Business	4,300
Enterprise Solutions Business * Current Enterprise Business	-95
Smart Life & QUO Card Business * Current Social Innovation & QUO Card Business	2,716
Other	91
Total	7,013

Number of Contracts (mobile phones, etc.): 3,380 thousand



Human Capital P42 ▶

Creating innovation by respecting diversity and leveraging the talents of each individual

Intellectual Capital

Reforms and efficiency improvements to create human resources and a company capable of sustainable growth, improvement of corporate value

Social and Relationship Capital / Manufacturing Capital

Shared value creation through collaboration with business partners, local communities, and other stakeholders

Natural Capital

Reducing the burden on the environment by promoting Renewable Energy Business

Financial Capital

Maintaining a sound financial foundation

Contributing to Society Through ESG Measures

Sustainable & Smart Lifestyles

Revitalizing Regional Society

Creating Value Through New Business

* Data is from FY2024

Value Creation Process

Creating innovation by respecting diversity and leveraging the talents of each individual



Human Capital

- **Employment rate of management positions filled by women** **13.0%**
- **Employment rate of persons with disabilities** **2.7%**
- **Percentage of foreign employees among recent-graduate career track hires** **1.8%**
- **Percentage of mid-career hires in management positions** **A majority**

* Data is current as of April 2024

Aiming to realize an environment where all employees can work with excitement, we have positioned “Respecting diversity and promoting human resource development,” “Realizing diversity & inclusion,” and “Promotion of Health and Productivity Management,” at the heart of our human resource strategy. We carry out various initiatives to implement this strategy.



Intellectual Capital

Reforms and efficiency improvements to create human resources and a company capable of sustainable growth, improvement of corporate value

- **Time saved through use of RPA** **3,141 hours/month**

We believe that our intellectual capital consists of our training and study sessions, our shop management and human resource development know-how, our BPR know-how, and our RPA internal production training. By reinforcing this intellectual capital, we will also increase our corporate value.



Social and Relationship Capital / Manufacturing Capital

Shared value creation through collaboration with business partners, local communities, and other stakeholders

- **No. of e-net caravan course during the year** **50**
- **No. of the course participants** **11,955**

Aiming to achieve coexistence with local communities through business, we will work to enhance corporate value while helping to solve local challenges by improving customer satisfaction and providing inspiring experiences to customers.



Natural Capital

Reducing the burden on the environment by promoting Renewable Energy Business

- **Year-on-year change in energy consumption** **-12.2%**
- **Year-on-year change in renewable energy usage rate** **+4.9%**

* Calculations from FY2024 are based on the revised Act on Rationalizing Energy Use

In accordance with our Environmental Policy, we not only comply with environmental laws and regulations but also seek to reduce the burden its business activities place on the environment and to solve environmental problems through business.



Financial Capital

- **Maintaining a sound financial foundation**
- **Generating stable cash flow**
- **Stable and continuous returns over the long term**
(dividend per share: ¥75, no dividend reductions since company was first listed on the stock exchange)

Based on our belief that maintaining a sound financial foundation is of utmost importance, we generate stable operating cash flows from minimal investment, which is one of our strengths, and provide stable profit returns to our shareholders.

Medium-Term Management Plan

Changes in the Medium-term Management Plan

Nov. 2015 (Formulation)
to FY2021

FY2022 to FY2024

From FY2025

Based around the Consumer Mobile Business (consumers and enterprise customers), we further expanded our businesses during this period, including through the acquisition of QUO CARD Co., Ltd. in the Payment Service Business. Furthermore, we were able to maintain a stable dividend payout ratio at 30% or above.

MTP Qualitative Targets

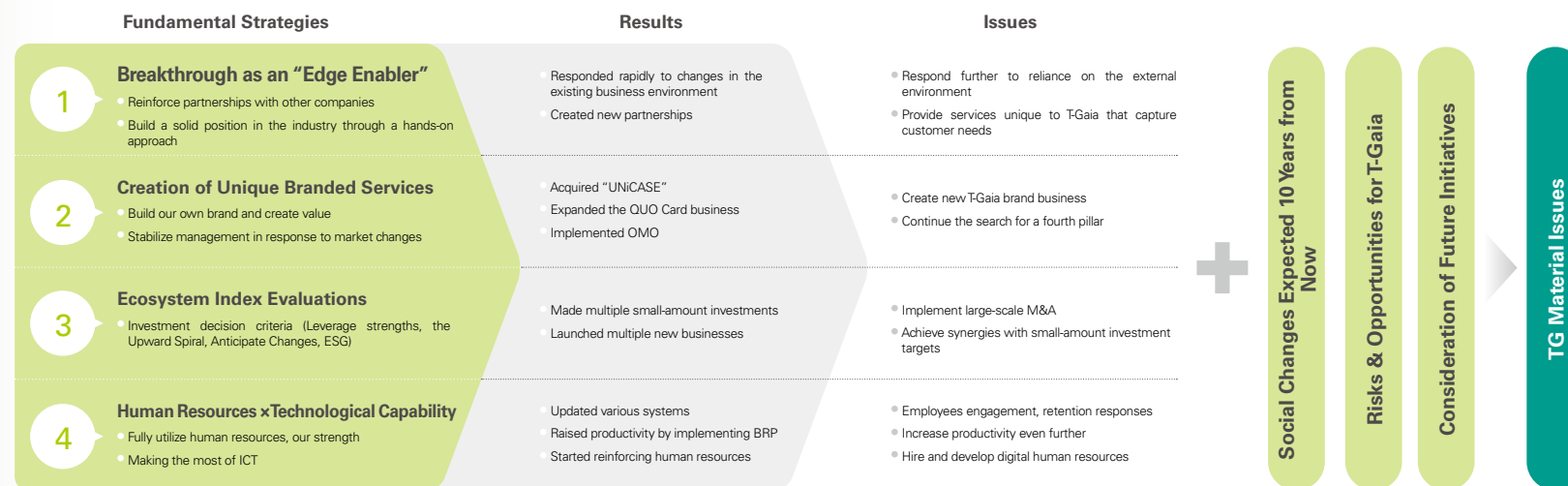
Firmly maintain the position as the leading company in the core business of mobile phone distribution

- Grow the Enterprise Solutions Business, the Payment Service Business and overseas business as strong core businesses
- Create and explore new business opportunities in the mobile and internet industries
- Maintain the dividend payout ratio at 30% or above

Group-Wide Corporate Strategies

Cultivate, recruit, utilize and retain human resources to realize maximization and optimization of achievement of every employee

- Conduct strategic and continuous cost management to transform the cost structure into one that can respond to the change of the market environment
- Maximize the corporate-wide achievements by optimizing the organization as well as the corporate system



Group-Wide Corporate Strategies and Their Results

To further expand our businesses, we have developed businesses based on four fundamental strategies.

(1) Breakthrough as an “Edge Enabler”

We further expanded our agent businesses—those that operate behind the scenes and do not carry our company name, T-Gaia. The business environment in which we operated was extremely challenging due to the sluggish market, partial policy changes by telecommunications carriers, and other factors.

(2) Creation of Unique Branded Services

We rolled out our unique services. We provided customers with new value by increasing the flexibility of our businesses through various initiatives, such as establishing our own UNICASE brand, which develops our accessory business, and expanding our QUO Card business.

(3) Ecosystem Index Evaluations

We established clear criteria for making growth investments. As a result, we were able to realize multiple small-amount investments and launch new businesses.

(4) Human Resources × Technological Capability

We maximized the value of our human capital and further enhanced our strengths through the insourcing of ICT skills.

We achieved a range of results through the implementation of these strategies. Meanwhile, the high dependence of our business model on external environments remains an ongoing issue.

Therefore, we believe it is necessary to further focus on collaborations with other companies and establishing our own brands.

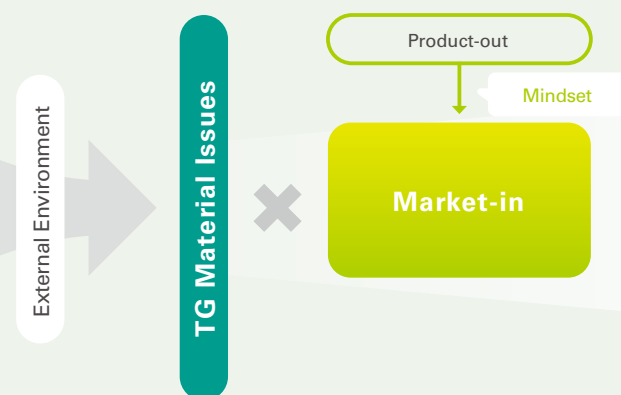
In addition, strengthening our human capital continues to be an important issue for us as a company built on the strength of its human resources.

Changes in the External Environment

The COVID-19 pandemic brought significant changes to our lives. While the values of the real and online worlds have dramatically changed, and online communication and work have become widely common, the value of connections with people and experiences in the real world has been rediscovered. Through these changes, the fusion of in-person and online worlds has expanded the possibilities for creating new value. Through the analysis of these risks and opportunities, we have identified particularly important issues and recognized them as TG Material Issues [P29 ▶](#).

Medium-Term Management Plan

Sustainability Management



Medium-Term Management Plan



Provision of Value

Revitalizing Regional Society

Creating Value Through New Business

Sustainable & Smart Lifestyles

Contributing to Society Through ESG Measures

Reinforcement of Capital

Reinforcement of Financial Capital

Reinforcement of Non-Financial Capital

Our Goal

Implementation of Sustainability Management Based on the Market-in Approach

We have newly formulated “Our Goal” as we reaffirm the ever-changing external environment and the role that society expects from T-Gaia [P09 ▶](#).

To achieve Our Goal, we established TG Material Issues [P29 ▶](#) to address social issues through each of our businesses. We aim to generate a virtuous cycle of social development and corporate growth with a focus on sustainability management that prioritizes solving social issues. To achieve this, we believe that we must shift our mindset from a traditional service- and product-oriented approach (product-out) to one that focuses on the customers' perspective (market-in). Therefore, we have restructured our organization into three business groups targeting different customer segments [P04 ▶](#).

In these three groups, we engage in various businesses based on sound financial and non-financial capital, through which we will provide diverse value for addressing issues faced by our customers, partners, and local communities. We also aim to become a company that can contribute to society while achieving enduring growth.

	Revitalizing Regional Society	Creation of New Value	Sustainable & Smart Lifestyles	Contributing to Society Through ESG Measures
Consumer Business	Support for eliminating the digital divide Carrier shops	Provision of inspiring experiences to customers - Carrier shops - Original shops	Highly convenient accessories - UNiCASE, SmartLabo - Carrier shops	Regional ICT bases Digital support in the event of disasters Carrier shops
Enterprise Business	Support for DX implementation Integrated Smart Support	Proposition of industry-specific solutions - Industry-specific solutions - Marutto Jo-shisu	Provision of diverse solutions - Integrated Smart Support - Marutto Jo-shisu	Renewable energy TGP Denki (TG Power Inc.)
Social Innovation & QUO Card Business	Provision of services for seniors Active Ring	Support for women FEMTECH LAB	Diverse payment methods Foster a gift-giving culture - PIN and gift services - QUO CARD and QUO CARD Pay	Regional revitalization Tie-ups with local governments and local banks

Medium-Term Management Plan

Growth Strategy

Growth Strategy 1

Shift to customer-centric business from a market-in perspective

Those whom we should serve are always our “customers” (individual consumers, enterprises, local governments, local residents, and society as a whole), and it is important for us to stay close to and understand their needs and issues. We aim to solve these issues, including potential issues that customers may not yet be aware of, by leveraging the abilities we have developed to identify issues and make proposals.

Growth Strategy 2

Provide community-based solutions to social issues

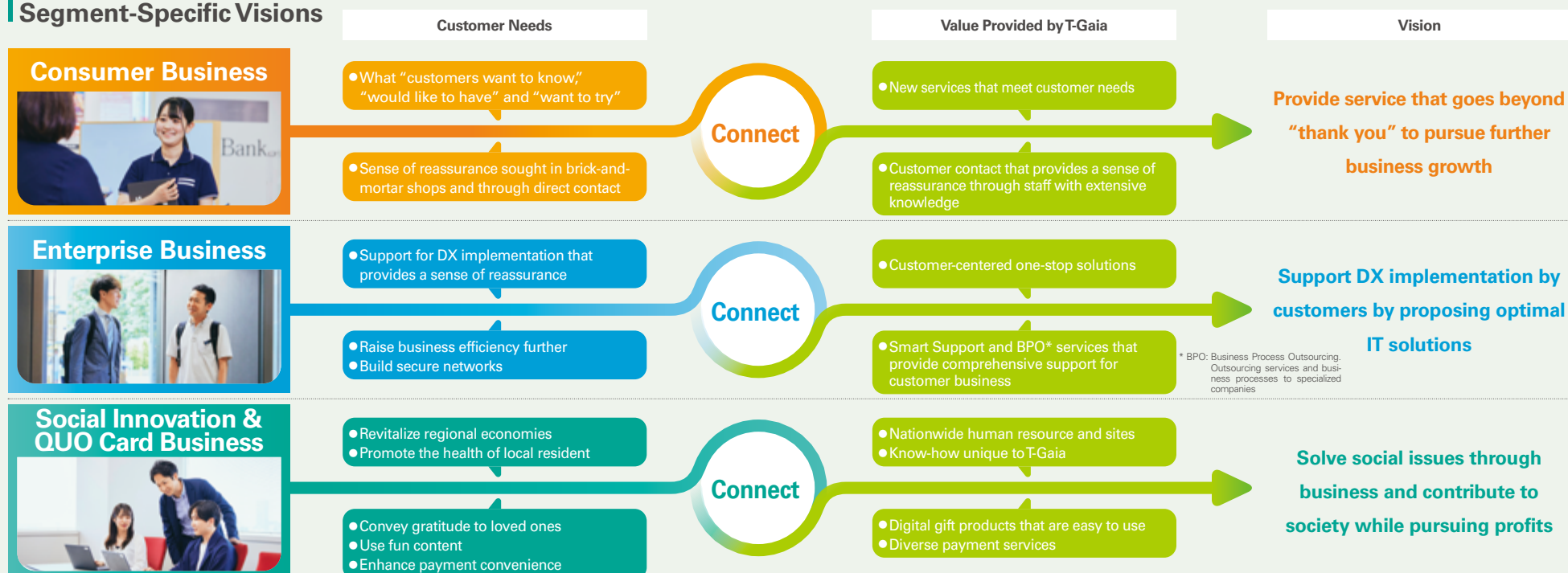
For a company to continually provide value in an increasingly diverse society, it is important to tackle social issues together with local communities through proactive engagement with those communities. We will leverage our bases and human resources across Japan to deepen communication with each local community and create shared value for ourselves and society.

Growth Strategy 3

Expand business through tie-ups and collaboration with strategic partners

We have grown as a company through collaboration with a range of partners. This is an important perspective that will not change but should be strengthened going forward. We also believe that tie-ups and collaborations with all of our partners will lead to sustainable growth for society as a whole.

Segment-Specific Visions



Financial Strategy

Maintaining a Sound Financial Foundation that Supports Our Reforms in this Dramatically Changing Environment

Message from the CFO

For the T-Gaia Group to achieve reform and transition to its next growth stage in a dramatically changing environment, we must raise the base level of our business, including existing business, while actively investing in growth drivers and generating synergies. I believe that maintaining a sound financial foundation, which underpins this effort, is of utmost importance in this respect. To meet the expectations of our stakeholders, we must produce results by steadily achieving the targets we have set. I also believe it is extremely important to always maintain dialogue with all stakeholders, fully explain the situation and outcomes, and gain their understanding. We will strive to improve corporate value by achieving the targets established in our Medium-Term Management Plan.



Hiroyuki Sugai Director,
Executive Vice President, CFO

Looking Back on FY2024

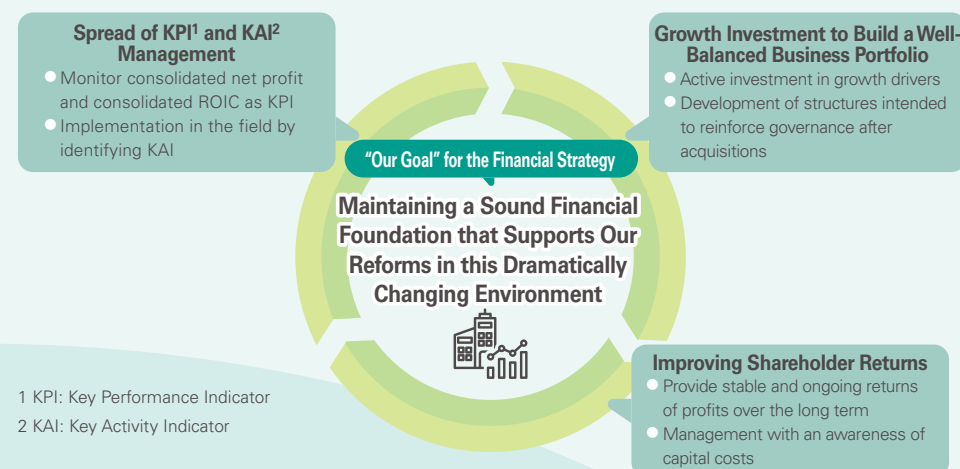
In the Consumer Mobile Business, which is our core business segment, the number of network contracts was sluggish due partly to the impacts of longer smartphone replacement cycles and a revised ministerial ordinance in late December 2023. However, discounted sales were contained due to more stable competition for new contracts, particularly those enabled by mobile number portability (MNP), compared to last year, leading to an improvement in our gross profit ratio. We were also able to contain SG&A expenses by consolidating and closing unprofitable stores and improving productivity, while achieving strong sales of original products, particularly smartphone accessories and security items. As a result, profits increased significantly in the Consumer Mobile Business.

In the Enterprise Solutions Business, we strengthened our customer-centric solution proposal-based sales. However, sales of handsets, including smartphones for enterprises, decreased, and we also recorded an impairment loss on goodwill associated with our subsidiary, Relay2, Inc., resulting in a decrease in profits. In the Smart Life & QUO Card Business, profits declined due to factors such as sluggish transaction volumes in our mainstay Payment Service Business, despite the continued strong performance of our QUO Card Business.

Group-wide, although we achieved a significant increase in operating profit due to strong performance in the Consumer Mobile Business, we take seriously the fact that net profit declined due to the impact of the extraordinary loss associated with Relay2.

Financial Strategy in the Medium-Term Management Plan

We have set forth three major policies in the Medium-Term Management Plan (FY2025 to FY2027), which started this fiscal year. I will discuss them in order from [P.21](#).



Financial Strategy

Growth Investment to Build a Well-Balanced Business Portfolio

In the Medium-Term Management Plan, which started this fiscal year, we have set forth the following three growth strategies: Shift to customer-centric business from a market-in perspective; Provide community-based solutions to social issues; and Expand business through tie-ups and collaboration with strategic partners. To execute each of these growth strategies, we will actively invest in new businesses, capital tie-ups, and other areas to supplement the resources, technologies, and services currently lacking in the Group, as well as in strengthening and reforming our existing businesses. While supporting growth investments by maintaining a sound financial foundation, we aim to build a business portfolio that enables our three business segments to contribute to profits in a balanced manner.

To ensure the success of our investments, we have established two specialized organizations: the Open Innovation Department and the Portfolio Management Department. These organizations are established to evaluate pre-acquisition deals, which serve as the entry point for investment, reinforce screening functions, demonstrate synergies within T-Gaia Group companies post-acquisition, and strengthen governance. These two departments have collaborated with the Sales Division, which is responsible for investment, to create an investment target list and explore new businesses, product development, and M&As, thereby developing a mechanism for maximizing return on investment.

The table below lists our major investment projects in the past. Under the Medium-Term Management Plan started this fiscal year, we plan to further expand growth investments in carefully selected projects.

Results of Major Investments

Date	Segment ¹	Company	Content of Investment
March 2020	Enterprise Business	Infinity Communication Co., Ltd.	Converted into a subsidiary through acquisition of all shares
November 2020	Consumer Business	TF Mobile Solutions Corporation ²	Converted into a subsidiary through acquisition of all shares (absorbed in February 2021)
April 2022	Enterprise Business	Relay2, Inc.	Converted into a subsidiary through additional acquisition of shares (sold in May 2024)
April 2022	Other	TG Solutions Corporation	Invested additional funds and reinforced functions (converted into a subsidiary in July 2019)
May 2022	Consumer Business	HardoLass Holdings Co., Ltd.	Capital and business alliance
September 2022	Consumer Business	UNICASE Co., Ltd.	Converted into a subsidiary through acquisition of all shares
December 2022	Consumer Business	MOBILETRUST Co., Ltd.	Converted into a subsidiary through acquisition of all shares (absorbed in April 2024)
March 2023	Social Innovation & QUO Card Business	MOFF Corporation	Capital and business alliance
April 2023	Social Innovation & QUO Card Business	T-Gaia Asia Pacific Pte. Ltd.	Invested additional funds ahead of new business launch
June 2023	Social Innovation & QUO Card Business	fermata Inc.	Capital and business alliance
April 2024	Consumer Business	ecbo Inc.	Capital and business alliance

¹ New segment names after change in April 2024

² Sale of mobile handsets by Fujitsu Personal System Limited

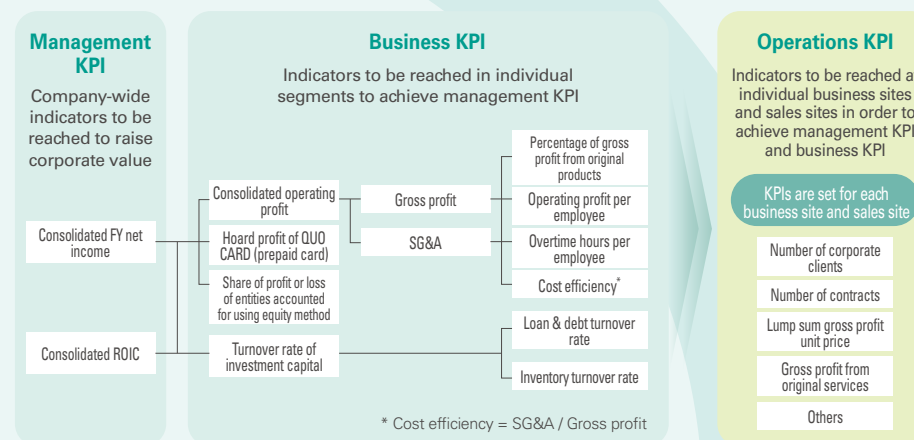
Spreading KPI & KAI Management

To raise corporate value over the medium to long term, T-Gaia has set the Consolidated Annual Net Income (Increase in Scale) and the Consolidated ROIC (Improvement in Efficiency) as management KPI and commenced monitoring starting in FY2023. As shown in the logic tree below, we break down these management KPIs into business KPIs as indicators to achieve in each segment. We then incorporate them into our operations KPIs (indicators to be achieved at each business site and sales site), identify specific KAIs to achieve the operations KPIs, and set targets. We communicate to all employees that each employee's achievement of their individual KPIs will ultimately contribute to the expansion of the Group and the improvement of its efficiency, working every day to reach these numerical targets.

Furthermore, the business and operations KPIs that are set are reviewed and revised on an ad hoc basis, thereby expanding the Group, improving efficiency, and aiming to improve performance. Recently, we have set carrier shop customer (shop visitor) numbers in the Consumer Business and paying client numbers (the number of active corporate clients) in the Enterprise Business as KPIs, focusing on efforts to expand our contact points with these customers. Additionally, we use these indicators as KPIs to expand profits from our original products and services, while making proposals to meet customers' needs.

In the current Medium-Term Management Plan, we have set a consolidated net profit target of at least 10 billion yen and a consolidated ROIC of 10% or higher as management KPI levels. We will achieve our management KPIs with everyone across the Group working together to meet individual business and operations KPIs.

KPI Management System (Logic Tree)



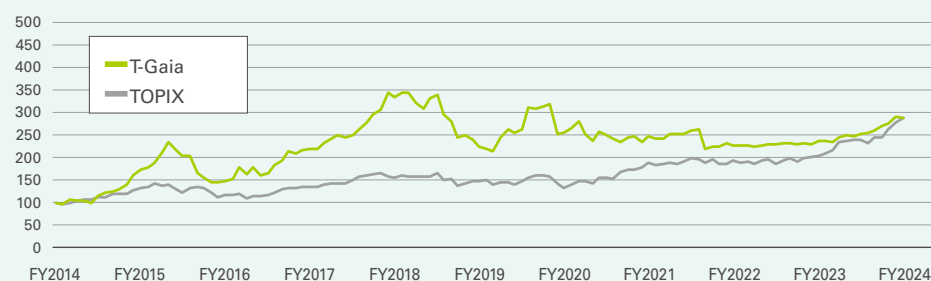
Financial Strategy

Improving Shareholder Returns

Our basic dividend policy is to provide stable and continuous shareholder returns over the long term with a consolidated dividend payout ratio of 40%, while securing the internal reserves necessary for future business development and strengthening business foundations. As explained in the section “Looking Back on FY2024” [P.20](#), FY2024 was a challenging year due to performance falling short of expectations in the Enterprise Solutions Business and the Smart Life & QUO Card Business, which are our growth businesses. However, we maintained our annual dividend of 75 yen, achieving stable returns in line with the basic policy. In our Medium-Term Management Plan (FY2025 to FY2027), we aim to increase dividends through increased profits by achieving our management KPIs.

As indicated in the graph of total shareholder return (TSR) below, despite underperforming compared to TOPIX over one- to five-year periods, we were able to surpass the index over the 10-year period through stable returns. To achieve TSR that exceeds shareholder capital costs, we will continue to meet shareholder expectations by improving corporate value through initiatives that address newly identified TG Material Issues.

Changes in Total Shareholder Return (TSR) (year-end data for March 31, 2014 = 100)



TSR (annualized)

	1 year	3 years		5 years		10 years	
		Cumulative	Annual rate	Cumulative	Annual rate	Cumulative	Annual rate
T-Gaia	28.0%	19.3%	6.1%	32.7%	5.8%	190.0%	11.2%
TOPIX	35.3%	46.0%	13.5%	87.9%	13.4%	176.3%	10.7%

* TSR: Total Shareholder Return. A comprehensive investment return rate combining capital gains and dividends.

* TSR is calculated according to T-Gaia's cumulative dividend amount and share price changes, while the figures for TOPIX show the stock index, including dividends, calculated by T-Gaia from JPX monthly reports, the stock price index, and data for stock averages.

* Graphical data is an indexation of market prices based on TSR, with fiscal year-end data for March 31, 2014 equaling 100 (holding period: through March 31, 2024).

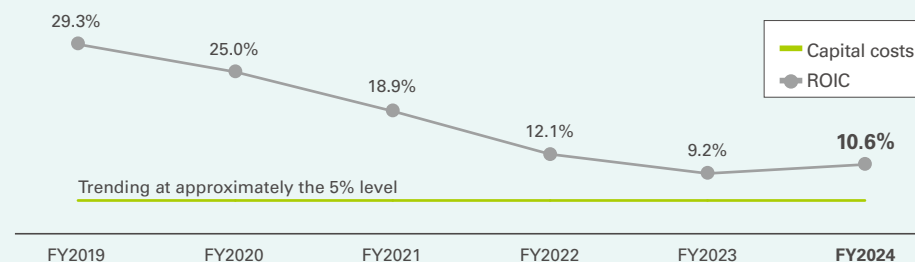
Action to Implement Management that is Conscious of Cost of Capital and Stock Price

The following graph shows capital costs and ROIC for T-Gaia, with ROIC trending downward until FY2023. Our analysis indicates that this was due to several factors, including the need to secure operating capital in preparation for the COVID-19 pandemic and an increase in long-term borrowings for large-scale M&As in FY2021, and a deterioration of the business environment for the Consumer Mobile Business starting in FY2022, among others. However, ROIC has recently recovered to the 10% range, thanks to a recovery in the business environment mainly for the Consumer Mobile Business, along with improved business efficiency and expanded sales of original products, among other factors.

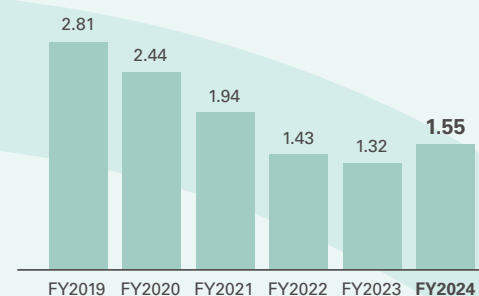
As for capital costs, we have generally maintained them at a stable 5% level on a CAPM* basis. We are therefore maintaining a return on invested capital that exceeds our capital costs.

* Capital Asset Pricing Model
(T-Gaia's analysis uses a risk premium of 7% and beta based on weekly TOPIX comparison)

Capital Costs and ROIC



PBR



Like ROIC, our share price was affected by a deterioration of the business environment and other factors. However, our PBR* remained at 1.0 times or higher, and our market valuation is on a recovery trend. In addition to achieving our management KPIs, we aim to continue improving our share price by enhancing disclosures for shareholders and institutional investors and strengthening shareholder returns.

* Price Book-value Ratio

DX Strategy

Transitioning to the Expansion Phase to Make the Seeds of New Digital Business Bloom

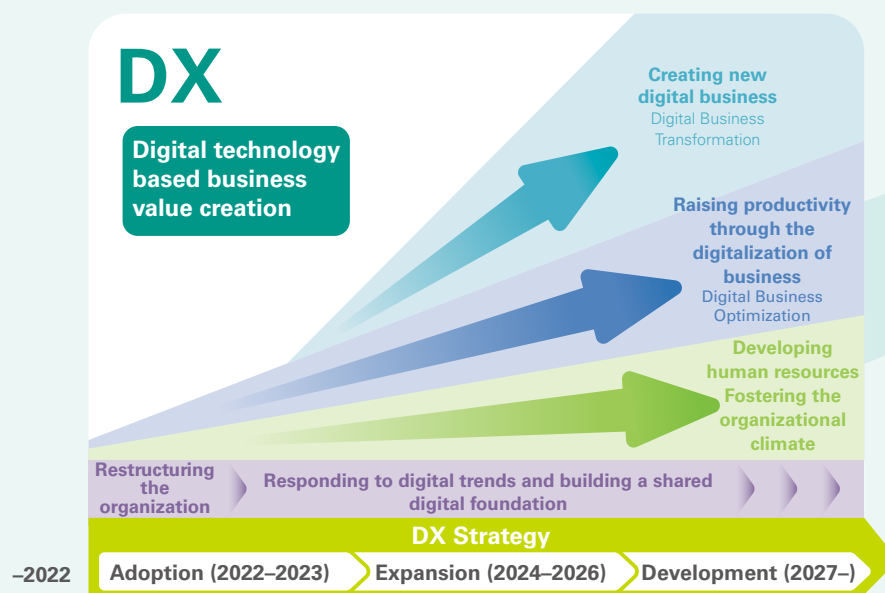
Message from the CDO

With the two years since my appointment as CDO in 2022 designated as the adoption phase of our DX strategy, we have been working to promote both outward-looking and inward-looking DX. In addition to insourcing ICT skills, we developed network infrastructure, adopted common business applications, and implemented various servers in the cloud. We also launched and established the foundations for a program for training digital human resources (DH) to enhance our capabilities in driving DX.

We have positioned the next three years, starting from this fiscal year, as the expansion phase of our DX strategy. During this phase, our business and IT divisions will strengthen their ties and implement various measures based on the foundation established during the adoption phase. We aim to realize our DX strategy by creating new digital business and raising productivity through the digitalization of business, while taking into account the changing external environment and social issues.



Hiroyoshi Ueji Director,
Executive Vice President, CDO



Implementation Measures in the Adoption and Expansion Phases

The measures completed in the adoption phase and those to be initiated in the expansion phase are detailed below.

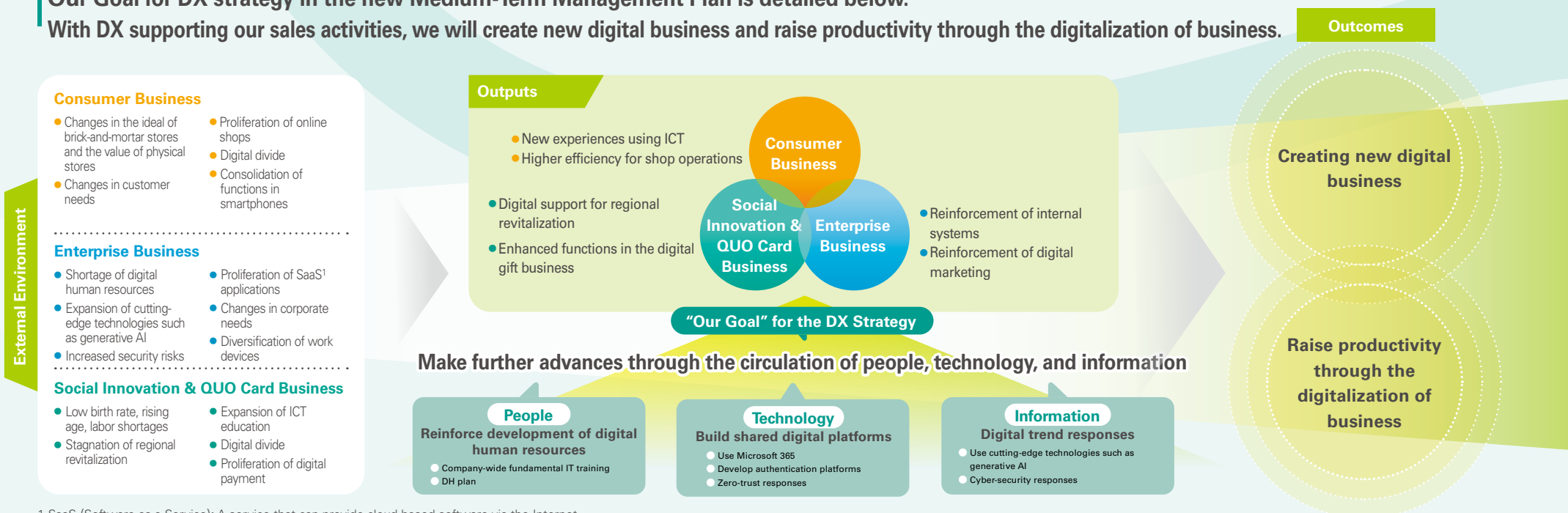
With the help of our subsidiary TG Solutions Corporation, we aim to enhance corporate value through value creation driven by digital technology.

Adoption Phase	Expansion Phase
[Consumer Business] Launch remote customer support and expand stores	[Consumer Business] - Open and operate T-Gaia original shops - Open and operate owned media - Evolve ICT utilization in shop operations
[Enterprise Business] - Develop insourcing of line management systems - Initiatives for adoption of SFA/CRM	[Enterprise Business] - Adopt and utilize SFA/CRM - Improve productivity through adoption of an ordering system - Develop <i>Marutto Jo-shisu</i> (comprehensive information system solutions for SMEs)
[Social Innovation & QUO Card Business] Strengthen infrastructure for PIN servers and sales systems	[Social Innovation & QUO Card Business] Strengthen the Payment Service Business
[Internal Operations] - Develop and launch a program for training digital human resources - Implement paperless operations - Implement server infrastructure in the cloud - Establish a remote work environment	[Internal Operations] - Promote the program for training digital human resources - Redevelop the accounting management system - Promote the zero-trust model

Our Goal for DX Strategy in the Medium-Term Management Plan

Our Goal for DX strategy in the new Medium-Term Management Plan is detailed below.

With DX supporting our sales activities, we will create new digital business and raise productivity through the digitalization of business.



¹ SaaS (Software as a Service): A service that can provide cloud-based software via the Internet

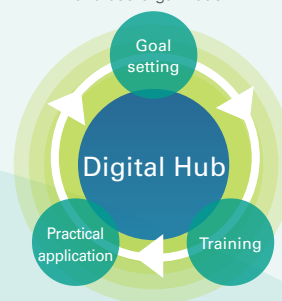
Securing and Enhancing Development of Digital Human Resources

Human resources development and digital transformation (DX) are key management issues for T-Gaia. Human resources development refers to our efforts to develop and implement a human resource strategy aligned with our management strategies, enhance medium- to long-term corporate value by increasing human capital value, and lead to the realization of our purpose (Our Goal). DX, on the other hand, is the process of reforming products, services, and business models by utilizing data and digital technologies to establish a competitive advantage in response to the changing business environment and improve corporate value. Digital human resources are essential for this DX implementation.

We are steadily improving IT literacy by providing all employees with e-learning training courses to learn the basics of IT. We have also established and are operating our Digital Hub (DH) to develop and utilize digital human resources. Specifically, we are using our unique training curriculum to develop digital leaders and core engineers, offering opportunities to acquire digital knowledge, participate in on-the-job training, and put that knowledge into practice.

In this way, we are building a system for continuous development of digital human resources, and we will consistently implement human resources development that connects business to digital.

DH (Digital Hub)
A digital human resource training and use organization



SOC/CSIRT

In FY2024, we established the Security Operations Center (SOC)² and put in place the system for the Computer Security Incident Response Team (CSIRT)³ to strengthen security at T-Gaia.

To respond to the rapidly increasing cyberattacks, creating systems for preventing attacks in advance is, of course, important. However, we will also continue to conduct security evaluations and training to ensure we can minimize any damage in the event of an attack.

² A dedicated team for 24/7/365 monitoring and analysis of company/organization networks and systems

³ A team established to promptly address information security-related incidents

Human Resource Strategy

Realizing an Environment Where All Employees Can Work with Excitement, and Continuing to Grow Together with Employees

Message from the Officer in Charge of Human Resources & General Affairs

Since our founding, we have regarded human resources as an investment, not as a cost, and have worked to improve our corporate value. The “excitement” set forth in our human resource strategy refers to a feeling of elation filled with expectation and exhilaration, and the emotion generated by new challenges and enjoyable anticipation. This is an extremely positive feeling for humans that also improves motivation, and I believe this is an important element that leads to well-being that enriches lives.

To this end, we aim to provide our employees with opportunities for career growth and reskilling, and to create an environment where individuals can fully demonstrate their talents. Based on this approach, we foster a culture where employees can propose and realize their own ideas, encourage employees’ creativity and innovation, and build systems that respect their opinions and reflect their feedback throughout the organization. By doing so, we aim to build a culture of openness and trust in the workplace and enhance employee motivation. Furthermore, in addition to providing support for maintaining and enhancing health through check-ups, mental health support, and other initiatives, we promote flexible work styles and support an optimal work-life balance.

As the officer in charge of Human Resources & General Affairs, I will continue to create an environment where all employees can work with excitement every day and both employees and the company can continue to grow together.



Shigenobu Owada

Officer in Charge of Human Resources & General Affairs, Internal Auditing, Compliance and Customer Satisfaction Promotion, and BPR Promotion
Managing Executive Officer, CCO

Overview



Since its founding in 1992, the T-Gaia Group has put people at the center of management. To connect people with people and people with digital technologies and achieve Our Goal, it is essential that we understand the true value that customers want, embrace it, and take action. This is a key role that T-Gaia’s employees must perform.

To extract maximum value from our human capital and carry out management directed at enhancing corporate value, we are implementing a human resource strategy centered on the following three pillars: “Achievement of DEIB*”; “Build a human resource portfolio linked to business strategies”; and “Foster engagement.”

* Diversity, Equity, Inclusion, and Belonging: Fostering of a corporate culture of belonging where diverse human resources acknowledge their respective individuality as it is, opportunities for challenges and growth are fairly provided so that all personnel can play active roles, and each individual flourishes in workplaces with high levels of psychological safety that create unity and trust

Human Resource Strategy

Background of the Human Resource Strategy

Since its founding, T-Gaia has regarded people as its greatest asset. To sustainably improve corporate value, it is essential to maximize the potential of our human resources, who are at the core of our business, and to further increase the value they provide. The business environment surrounding us is expected to change dramatically. However, precisely because of this, we believe we must further increase the power of the individual and build a strong organization that thrives even in the face of adversity.

For this reason, in our new human resource strategy, we have outlined a future vision in Our Goal, where fostering an organizational culture that enables employees to feel a sense of growth through their work and the growth of each and every employee will lead to the growth of our company. Based on the three pillars of our human resource strategy—"Achievement of DEIB," "Build a human resource portfolio linked to business strategies," and "Foster engagement"—we will sincerely engage with employees' job satisfaction from each of these perspectives. We aim to ensure that both the company and its employees always share the same goals and grow together, even in an environment where the future is hard to predict.



Achievement of DEIB

Promote active participation by women/Promote active participation by seniors/Deepen a corporate culture of understanding and respecting diversity

We have worked to implement diversity and inclusion (D&I) to create workplace environments where all of our employees, with their varied backgrounds and values, can play active roles while enjoying their work.

In our new human resource strategy, we plan to advance to the next phase of "Achievement of DEIB" by adding the concepts of Equity (E) and Belonging (B), while further deepening our D&I efforts as part of our corporate culture. Equity and Belonging represent "fairness" and a "sense of unity and belonging," respectively. In enabling our diverse human resources to thrive while staying true to themselves, we aim to reinforce the concept of "Equity," which provides them with fair opportunities to take on challenges. At the same time, we aim to foster a corporate culture where employees can play active roles and flourish in workplaces with high levels of psychological safety, allowing them to belong with a sense of unity and trust.

- Formulate a DEIB promotion policy as a management commitment, and facilitate the penetration of the DEIB concept and awareness raising
- Expand leave systems and support structures that support the active participation of employees balancing work and medical treatment
- Provide training to increase the recognition of Equity as a foundation for advancing the active participation of women to the next stage

Build a Human Resource Portfolio Linked to Business Strategies

Hire personnel in line with the human resource image we seek / Support reskilling and skill enhancement / Develop digital human resources

With our business environment undergoing drastic changes, we aim to clarify the human resources needed to realize our management and business strategies, and optimize human resource allocation from both quantity and quality perspectives to sustainably support corporate growth. To ensure we hire the human resources needed, we consider benefits aligned with market value through remuneration survey monitoring, thereby improving our competitiveness in the recruitment market. At the same time, in addition to conventional recruitment activities, we also focus on referral hiring and re-employment as part of our efforts to strengthen our recruitment capabilities through connections.

In terms of internal human resources development, we will fully draw on the potential of human resources that form the core of our business. To improve company-wide performance and strengthen competitiveness, we will expand our capability development and education systems, focusing on appropriate training for each role, the development of the next generation of leaders, and reskilling, while continuing to develop our human resources through various support initiatives and programs. In particular, we will continue to implement our digital human resource training program as a priority measure to develop the talent capable of driving the creation and reform of our business.

- Allocate the right people to the right places based on a quantitative and qualitative human resources portfolio
- Strengthen recruitment capabilities without being limited to new graduates and mid-career hires, increase job transfer opportunities across department lines, and pool external human resources
- Raise the level of IT literacy with a view to utilizing generative AI and other tools in operations

Foster Engagement

Support autonomous career development / Achieve well-being / Pursue work that is meaningful for all employees

With the flexibility of work styles established in the workplace through work-from-home systems and super flex systems, the pursuit of work that is meaningful for all employees and the achievement of well-being have become more important themes than ever.

We aim to foster a corporate culture where employees can achieve a sense of fulfillment, satisfaction, and real growth through their work. To this end, we will work on human resource development based on career autonomy, where employees make their own decisions so they can achieve their own visions, targets, and objectives, together with company-led career development.

We support our employees in their autonomous career development through annual career assessments, a self-reporting system, and regular one-on-one dialogues. With the improvement in performance achieved through work and work styles that best suit each employee, we will improve engagement over the medium- to long-term. We will also encourage mutual feedback in all directions as part of our efforts to create a mechanism for employees to support each other's growth.

- Foster a sense of self-efficacy for all employees by formulating human resource development targets at the management level
- Improve coachability to create an organizational climate that is receptive to feedback from others
- Improve workplace environments by analyzing organization-specific engagement survey results

Material Issues

Among the social issues facing companies, including environmental problems and human rights issues, we identified key issues to be addressed as TG Material Issues to realize Our Goal over the medium- to long-term.

The TG Material Issues were first identified in FY2022, but in consideration of changes in the external environment and the company's risks and opportunities, we partially revised this list in FY2025.

Social Changes Expected 10 Years from Now



Declining population

- Shrinking workforce
- Falling corporate profits
- Decline of local government functions

Advances in AI Technology

- Advances in communications technology
- Diversification of devices

Fusion of in-person and online

- Clarification of the roles of brick-and-mortar stores
- Proliferation of online sales

Sustainability

- Heightened concerns regarding environmental and social issues
- Contributions to achieving the SDGs

Risks & Opportunities for T-Gaia

Risks

- Declining workforce
- Shortage of digital human resources
- Contact with online customers
- Responses to ESG risks, including global warming and human rights issues

Opportunities

- Utilization of nationwide human resources
- Elimination of the digital divide
- Changes in the value of brick-and-mortar stores
- Proactive responses to environmental and social issues
- Contributions to social Innovation

T-Gaia's Responses

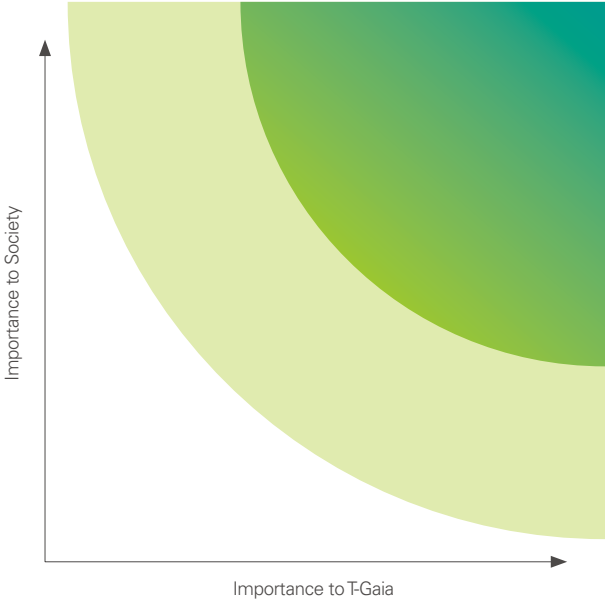
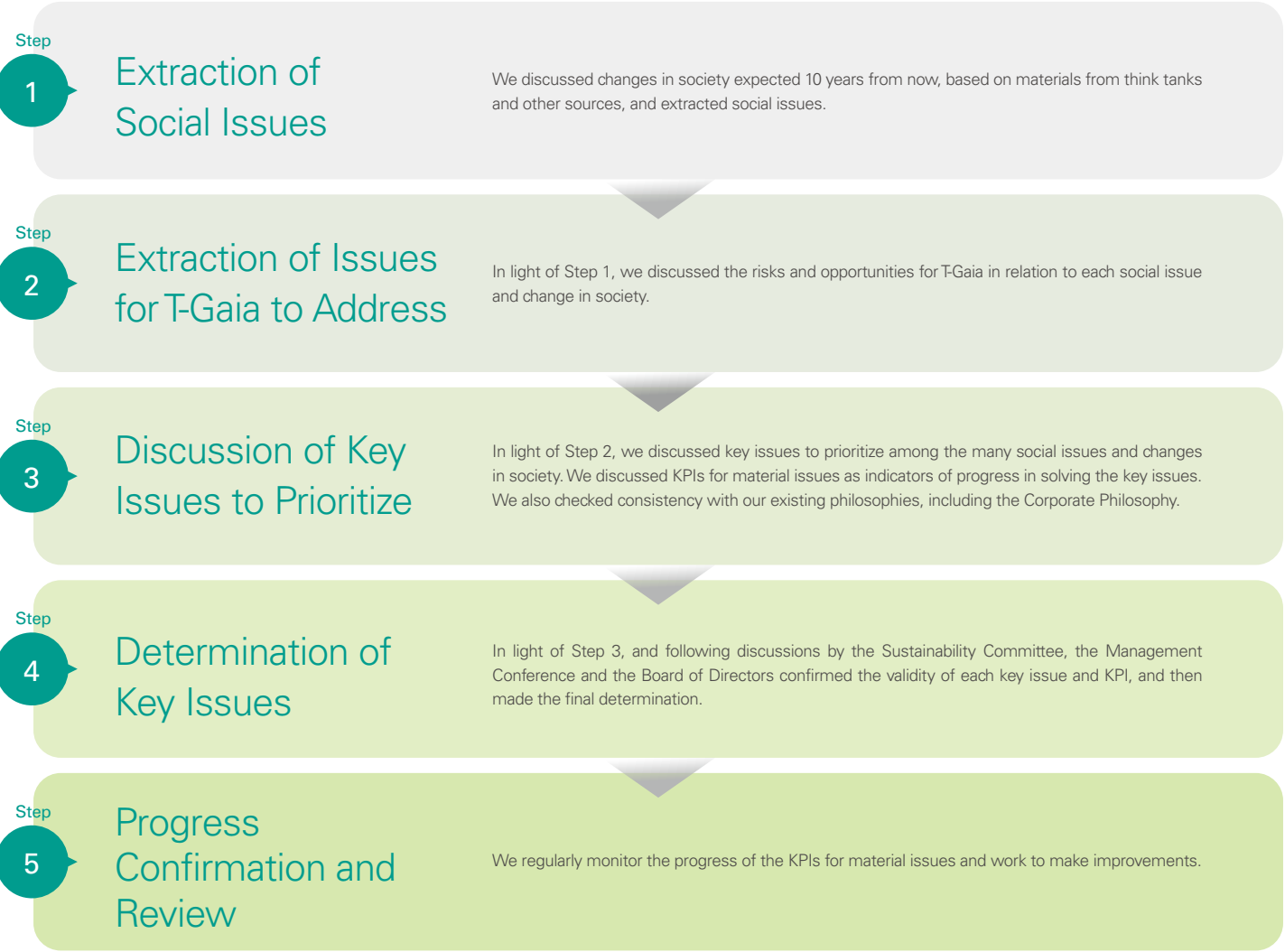
- Promote active participation by seniors, women, and foreign nationals
- Provide additional opportunities to use digital technologies
- Promote DX support for companies
- Provide inspiring experiences to customers
- Create value for society by solving healthcare issues and other means
- Take action to address climate change and human rights issues



Material Issues

Issue Identification Process

We analyze the risks and opportunities facing our company in the external environment and combine them with their significance to us (leveraging of strengths, degree of contribution to social issues, and threat level) to identify theTG Material Issues.



Material Issues

We established KPIs for each of the TG Material Issues. Going forward, we will regularly monitor the progress of these KPIs and work to make improvements.

We have also identified the relationship of each material issue to the SDGs, and will work together as a united Group to ensure that our efforts to solve the TG Material Issues can help achieve the SDGs.

TG Material Issues	Sub-categories	KPI	SDG Action Items
01 Creating shared value as a member of local communities	● Coexistence with local communities through business	● Number of social Innovation business projects	   
	● Raise customer satisfaction and provide inspiring experiences	● NPS (customer loyalty index)	
	● Create a digital society where no one is left behind	● Number of store customers, number of remote customer contacts, number of e-net caravans held (number of participants), number of smartphone classes held (number of participants), etc.	
02 Sustainably developing through collaboration with business partners	● Build sustainable supply chains	● CSR survey response rate	  
	● Strengthen relationships with business partners	● Number of services provided per company, number of new clients acquired	
	● Create enriching lifestyles through the use of digital technologies	● DX promotion index score, ratio of digital investment amount to new sales	
03 Respecting diversity and pursuing job satisfaction	● Build a human resource portfolio linked to business strategies	● Number of employees hired (recent graduates and mid-career), training time and expenditures, number of digital human resources hired	  
	● Implement DEIB	● Acquisition of external evaluations, percentage of managers who are women, percentage of men who take childcare leave, gender pay disparity, percentage of employees with disabilities	
	● Promote engagement	● Engagement score, employee retention rate, paid leave utilization rate, average duration of employment	
04 Proactive approach to environmental issues and climate change	● Reduce greenhouse gas emissions	● Scope 1 and 2 greenhouse gas emissions reduction rates (compared to FY2020), percentage of electricity used derived from renewable energy	   
	● Promote Renewable Energy Business	● Renewable energy capacity	
	● Provide support in the event of a disaster using our network	● Examples of support during emergencies (qualitative)	
05 Enhancing corporate governance	● Rigorous compliance	● Compliance training participation rate (number), number of serious compliance violations	 
	● Maintain and advance governance	● Board of Directors self-evaluation (qualitative), contribution to autonomy of Group companies and sustainable growth (qualitative)	
	● Enhance information disclosure	● Disclosure of various KPI, active disclosures in English (qualitative)	

Business Strategy (by business segment)

Consumer Business

Understanding of the market/ business environment risks and opportunities

- Rising prices and regulation
- Promoting the spread of 5G
- Industry reorganization
- Intensification of competition in recruiting
- Recovery of flows of people post-COVID

What customers want

- New experiences that move them
- Contact in brick-and-mortar stores
- Further use of devices
- Help desks for digital applications
- Connections to local communities

Customer Needs

What “customers want to know,” “would like to have” and “want to try”

Sense of reassurance sought in brick-and-mortar shops and through direct contact

Connect

Value Provided by T-Gaia

New services that meet customer needs

Customer contact that provides a sense of reassurance through staff with extensive knowledge

Vision

Provide service that goes beyond “thank you” to pursue further business growth

Business Overview

We operate our Consumer Business across Japan, providing products and services to individuals and households. We aim to link these offerings to excitement, delight, and safety and provide service that goes beyond “thank you” to pursue further business growth.

We are also planning to open T-Gaia original shops as a new initiative for the Group.

Consumer Mobile Business

As the largest primary distributor in Japan for telecommunications carriers, T-Gaia sells mobile phones, tablets, and various products related to smart devices, content services and the like through diversified sales channels encompassing approximately 1,800 shops across Japan. We have established long-term relationships with the leading telecommunications carriers in Japan, and based on the trust that we have gained from each carrier, we actively carry out sales strategies brimming with flexibility and creativity. We also conduct shop operations tailored to regional characteristics based on strong partnership structures with agents' shops.

Going forward, we will continue to value feedback from our customers as our starting point, and we will work to provide service that goes beyond “thank you” by adopting a market-in perspective that leverages feedback to improve our services.



Consumer Business

OMO Business

Through our subsidiary UNICASE Corporation, we manufacture products under our original brands, Bellezza Calma and UNICASE, and we offer a wide range of smartphone cases and other smartphone-related products centered on famous overseas brands such as Urban Sophistication. In addition to stores and EC malls, we also engage in wholesale to companies and mass retailers.



Retail Service Business

We are expanding our retail service business across a variety of sales channels. This includes wholesaling accessories by leveraging our existing connections with convenience stores and acting as an import agent for Fitbit, a wearable activity tracker, to sell products on EC malls and to enterprises through health and productivity management proposals. We also focus on providing sales support to business partners through study sessions and store visits nationwide.

New Businesses

VOYAGEESIM

We offer “VOYAGEESIM,” our original prepaid eSIM designed for customers traveling overseas, which provides a sustainable option for convenient communication abroad.

We have also begun offering a new domestic eSIM for inbound travelers to Japan. We help foreign visitors create pleasant memories by providing them with stable communication while they are in Japan.



Operation of Owned Media

In addition to in-person service through our physical stores, we also utilize original IP content via YouTube and social media to provide customers with easy tips for using their smartphones and information on useful features. In this way, we are enhancing connections with our customers and helping to eliminate the digital divide and improve smartphone literacy.



Smartphone Information Dissemination Department YouTube channel presented by our new employee, “Wakaba-chan”: ▶ <https://www.youtube.com/@tg-wakaba.sumabu>

Business Strategy (by business segment)

New Initiatives

In this rapidly changing business environment, we will approach our offerings from a market-in perspective, which will serve as the foundation of our customer service. In response to our customers' needs, our human resources across Japan—our company's strengths—will leverage their acquired know-how to provide services that connect our customers to excitement, delight, and safety.

■Original Shops

By leveraging our expertise in shop operations and human resources, we are considering opening original shops designed to provide our customers with excitement. This will be realized through consulting services to resolve customer issues, sustainable used smartphone sales and repairs, and opportunities to experience AI and cutting-edge technologies.

To achieve this, we believe it is essential to collaborate with strategic partners that have strong brand capabilities and create membership systems to build relationships with customers and provide ongoing services.

We will address these issues one by one and stay close to our customers' needs—specifically, what they want to know, what they would like to have, and want they want to try. Our aim is to provide service that goes beyond “thank you” to pursue further business growth.



Ryo Asai

Manager of Brand Shop Team
CX Department, Consumer Business
Division, Consumer Business Unit

Voice

I joined T-Gaia in 2012 as a mid-career hire and have been involved in launching a range of new businesses, including Smart Support (currently the Solutions Division), MVNO/Rakuten Mobile Shop, and our e-Sports business. I have been newly assigned to lead the launch of original shops starting this fiscal year.

Our original shop is a business where we create everything ourselves, including branding, promotions, and customer membership bases, in addition to products and services.

Reinforce Further

■Carrier Shop Growth

We aim to demonstrate leadership in this mature industry to become a company that sustainably expands its market share and continues to grow. To this end, we are focusing on further growth of our existing carrier shop business. To achieve our vision, we believe that raising customer satisfaction is essential. We need to provide new types of customer service that meet the diverse needs of our customers, such as online sales utilizing ICT, alongside in-person service. Therefore, we will continue to secure outstanding talent by reinforcing our recruitment efforts, reinforce our customer service mindset and proposal capabilities by developing human resources, and build optimal store operations by utilizing ICT.

■Expand Existing Business

Apart from operation of carrier shops, we will also offer a range of smartphone-related products.

We will increase business opportunities by expanding the products and sales channels of our OMO business, which seamlessly integrates our brick-and-mortar stores with e-commerce sites, with a focus on our subsidiary, UNiCASE Corporation. We will also expand sales channels and products in our wholesale offerings, including IoT products, wearable devices, and accessories, as well as in our retail business, such as training business. We will continue to create contacts with customers with the aim of achieving further business growth.



In my work, I will fully leverage the challenging spirit that I developed in my previous work at venture companies, along with the experience and knowledge that I gained from launching various new businesses at T-Gaia. However, there is still much for me to learn. Therefore, I will strive to create original shops where our staff are excited to work, while gaining support from many people both inside and outside the company, in addition to my colleagues in the CX Department. Through these efforts, we will work cohesively as one, aiming to create new sources of revenue for our company.

Business Strategy (by business segment)

Enterprise Business

Understanding of the market/ business environment risks and opportunities

- Slowing domestic growth rate
- Shrinking labor force
- Shortage of digital human resources
- Digital divide
- Focusing on ESG

What customers want

- Proposals of solutions tailored to their company
- Support for DX implementation
- Higher business efficiency
- One-stop contacts
- Building secure networks
- Advanced ESG management

Customer Needs

- Support for DX implementation that provides a sense of reassurance

- Raising business efficiency further
- Building secure networks

Connect

Value Provided by T-Gaia

- Customer-centered one-stop solutions

- Smart Support and BPO* services that provide comprehensive support for customer business

* BPO: Business Process Outsourcing.
Outsourcing services and business processes to specialized companies

Vision

**Support DX implementation by customers
by proposing optimal IT solutions**

Business Overview

Supporting ICT Adoption Through LCM Services

We are supporting ICT adoption by providing new solution products and services.

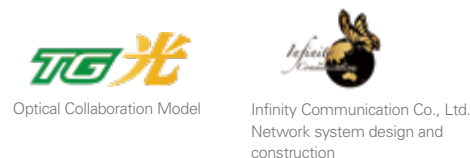
Appropriately managing smart devices such as smartphones and tablets has become a major challenge for companies as these devices rapidly spread and companies strive to adopt ICT. In response, T-Gaia provides one-stop solutions using life cycle management (LCM) tailored to the individual needs and internal environment of each client. Regardless of company size, industry type, or business format, we provide comprehensive support that includes enhancement of operational efficiency, by integrating management of all aspects from proposal of an optimal plan to device procurement and introduction, operations management, and updates.



Enterprise Business ▶ <https://www.t-gaia.co.jp/corp/en/business/solution.html>

Supporting the Creation of Corporate Network Environments

We offer a wide range of services, from the provision of lines to operation and maintenance. TG Hikari, our fiber optic access service for corporate clients, receives wholesale business for the FLET's Hikari service provided by NTT East and NTT West, and we provide service as a telecommunications carrier. With our high quality optical broadband lines and our rich service lineup, we recommend designs for smooth, convenient corporate infrastructure, improving operational efficiency for our clients. We can also provide a comprehensive support package for network systems, covering consultation, design, construction, operation, and maintenance. We collaborate with Group companies to provide a wide range of services, including the provision, operation, and maintenance of communication lines and advanced VPN services.



See our website for details
▶ <https://www.tghikari.com/> (Japanese only)

Renewable Energy Business

TG Power Inc., a renewable energy business operator, installs solar power generation systems at various facilities including plants, warehouses, chain restaurants, and home appliance stores, and the number of installations is steadily increasing. This reduces burdens on the environment, and the number of inquiries has been increasing due to instability in electricity prices in recent years. The company will expand business even further to solve customer problems.



Business Strategy (by business segment)

New Initiatives

Although companies are aware of the challenges of IT adoption and DX, they often don't know where to start or are unable to take action due to a lack of personnel. To solve these issues, we are enhancing our initiatives to develop and expand new services. In particular, we will further accelerate the development of products and services that contribute to DX for SMEs and small businesses, as well as the creation of organizational structures and systems to support product expansion and the development of human resources specialized in DX. Specifically, we will reorganize the Sales Division according to client company size and work to make optimal proposals and solve issues tailored to each client by concentrating and sharing our know-how. While also focusing on solving issues specific to each industry type and business format, we aim to provide optimal solutions for issues unique to each industry. To this end, we will not only establish new sales organizations specialized in each industry type, but also form cross-organizational projects to increase specialization and enhance structures for immediate horizontal deployment of know-how. In terms of developing enterprise-oriented products and services, we will continue to expand the functions of existing services, including our original T-Gaia products such as *movino star* and TG Hikari, and BPO services such as helpdesk and kitting. Please also look forward to the launch of *Marutto Jo-shisu* comprehensive information system solutions for SMEs and small businesses. It is designed to help reduce the burden of non-core operations, such as IT asset management and employee inquiry response tasks, which many SMEs and small businesses struggle with.



Yukiko Ogura

Strategy Team, Solutions Strategy
Department, Solutions Division,
Enterprise Business Unit

Voice

For several years since joining T-Gaia, I was involved in mobile phone sales, shop management, and support, believing that selling as many mobile phones as possible to connect people was my way of contributing to society.

Later, I gained experience as a lecturer in our training business, where I developed a strong conviction that it is essential to train our workforce through medium- to long-term human resource development to improve our business performance.

I am currently in charge of internal training and education within the Solutions Division. Precisely because our products and services are diversifying and becoming more complex, I aim to create systems that help us understand customer issues, uncover

Reinforce Further

In addition to the expansion and reinforcement of our product and service lineup, another major issue for us is human resource development for employees who interact with customers. We are committed to ongoing human resource development so that we can support DX promotion by our customers by proposing optimal IT solutions. To respond to trends in the IT industry, where new technologies emerge and existing services change at a rapid pace, we conduct training sessions at least 300 times each year to continue enhancing hypothetical proposal sales. The training aims not only to provide employees with product and service knowledge but also to help them develop the ability to identify customer problems and enhance their proposal capabilities. We are also working to increase the number of employees with certifications, including those related to groupware from Microsoft, Google, and others, which are becoming entrenched as core enterprise tools; manufacturer and vendor qualifications from Apple, Cisco, and others; and various IT-related qualifications, including high level certifications such as IT Coordinator. In this way, we are striving to expand our specialist knowledge across the organization and improve our problem-solving capabilities.



additional challenges and hidden needs, and propose the best solutions. Rather than merely recommending products to customers, our mission is to provide service that goes beyond “thank you” by actually solving their issues.

Training content can vary widely, from “analysis of the internal and external environment surrounding the company” for sales members to “interpersonal skills” and “thinking methods” for all employees. I will continue to support each individual so that they can realize their full potential.

Business Strategy (by business segment)

Social Innovation & QUO Card Business

Understanding of the market/ business environment risks and opportunities

- Vision for a Digital Garden City Nation
- Slowing domestic growth rate
- Low birth rate, aging population
- Accelerated use of data
- Expanding healthcare field
- Rising inbound demand

What customers want

- Conveying gratitude
- Enhanced content
- Enhanced payment convenience
- Help desks for digital applications
- Maintaining and improving health
- Connections to local communities

Customer Needs

- Revitalizing regional economies
- Promoting the health of local resident

Value Provided by T-Gaia

- Nationwide human resource and sites
- Know-how unique to T-Gaia

Connect

- Conveying gratitude to loved ones
- Using fun content
- Enhanced payment convenience

- Digital gift products that are easy to use
- Diverse payment services

Vision

Solve social issues through business and contribute to society while pursuing profits

Business Overview

T-Gaia will make the most of its assets to address the challenges faced by local communities, including social and health issues. It will also create a variety of new businesses with the aim of achieving comfortable lives for customers.

Payment Service Business

In addition to selling prepaid cards and codes (PINs), T-Gaia engages in the Card Mall Business, primarily through the nationwide convenience store sales channel. We are also working to expand digital gift distribution services such as QUO CARD Pay. By utilizing easy-to-deploy digital gifts for local measures, promoting local apps, and implementing local government measures, we will not only achieve high public relations effects but also enhance payment convenience for residents and reduce the operational burden on local governments.

Overseas Business

Mobile battery sharing services

After entering into a master franchise agreement with INFORICH INC., we launched the ChargeSPOT service in Singapore in December 2023. With over 100 installations already in place, we plan to continue expanding the number of installations progressively going forward.

Healthcare Business

Femtech

We have opened our FEMTECH LAB at Ebisu store and its e-commerce site under the brand concept of "a place where I meet myself." At the Ebisu store, we embrace the concerns of all women, not just working women, to provide a place for solving their health issues through dialogue that



© Nintendo



*BitCash and its logo are registered trademarks of BitCash Inc.



employs high-quality customer service skills.

We also support the active participation of women in companies through the adoption of welfare services, holding seminars and events, and other initiatives.

Healthcare (Prevention, Health Management, and Rehabilitation)

In a collaboration between Mitsubishi Research Institute, Inc. (MRI), T-Gaia, and MOFF Corporation, we are providing OMO-based health promotion services for local governments to help solve health and welfare issues faced by local communities. We will also develop our comprehensive healthcare business, including the 'MOGI' app for experiencing cognitive function tests during the renewal of driving licenses for the elderly, and services to support health and productivity management.

Agricultural Business

TG Farm Inc.

TG Farm has opened a strawberry field in Kurume City, Fukuoka Prefecture, in addition to another in Tsukuba City, Ibaraki Prefecture. The strawberries have also been adopted as gifts provided in exchange for *furusato* (hometown) tax payments by both local governments.

While engaging in sustainable agriculture using digital technologies, TG Farm will reinforce its collaboration with local communities.



FEMTECH LAB



Business Strategy (by business segment)

New Initiatives

As a new initiative, we will actively engage in our Social Innovation Business.

To strengthen economic foundations and achieve sustainable development of local communities, we will collaborate with a wide variety of stakeholders, including governments, regional banks, and local companies. Through this collaboration, we will coordinate projects aimed at solving local issues, develop data collaboration platforms and collaboration systems with governments, and establish local economic zones, thereby enhancing the competitiveness of entire local communities.

We will also promote our Healthcare Business to improve the health of local residents. Specifically, we aim to support resident health management more effectively and raise the level of health across entire local communities through a comprehensive range of healthcare services that solve health issues for people of all ages and genders.

Through these initiatives, we aim to coexist with local communities and contribute to the revitalization of regional economies and the improvement of residents' lives. As a member of local communities, we will contribute to their development and help build a sustainable future.

Reinforce Further

We will further grow our Payment Service Business to support customer "gratitude" and "joy" through digital gifts and diverse means of payment.

Specifically, we will create a convenient payment environment that meets the needs of customers by expanding our sales channels and content through collaborations with major convenience store chains and other partners.

We will also operate our "At Gift" campaign support system as a one-stop shop, handling everything from the procurement of digital gifts to administrative services, to provide smoother and more convenient payment services.

Furthermore, we aim to achieve global growth by leveraging the know-how acquired through our domestic Payment Service Business to expand our Overseas Business.



Daisuke Mori
Deputy General Manager, Healthcare Business
Department, Social Business Division,
Social Innovation & QUO Card Business Unit

Voice

Since I joined T-Gaia, I have gained experience in agent sales and operations at directly-managed carrier shops in the Consumer Mobile Business. After that, I worked in the Smart Life Business Division, now known as the Social Business Division, where I engaged in formulating business plans and growth strategies for both the division and our accessory business.

I am currently working in the Healthcare Business Department to engage in business development aimed at supporting the active participation of women and extending healthy life expectancy.

Established this fiscal year, the Social Business Division aims to balance the pursuit of profits with social contribution while taking on the challenge of solving social

issues through three businesses: the Payment Service Business, the Social Innovation Business, and the Healthcare Business. In the Healthcare Business, we provide products and services for prevention and health management just before medical treatment. At the same time, we collaborate with the Social Innovation Business, the Payment Service Business, and other businesses, and build strategic partnerships with various companies to promote business development aimed at solving social issues. As a father of two, I strongly wish to leave a better society for future generations. Through these businesses, I would like to improve people's lives and contribute to realizing a healthy and prosperous society.

Business Strategy (by business segment)

QUO CARD Co., Ltd.

Expanding market share in the unique gift card issuing business by leveraging the power of our brand, which boasts 92.5% recognition* among general consumers

* According to a survey of 40,000 persons nationwide conducted by QUO CARD Co., Ltd.

Business Overview

The company issues the QUO CARD, a standard gift card that consumers are “happy to receive and pleased to purchase,” and QUO CARD Pay, a digital gift service that can be used from a smartphone. Both the cards and the digital service can be used at familiar shops nationwide, can be used by anyone easily and securely, and are used as gifts that convey a feeling through original designs. They can be used as gifts tailored to a wide range of applications including various corporate gifts, such as incentives and promotional items for campaigns and so on, complimentary items provided to shareholders by listed companies, and various benefits offered by local governments, non-profit organizations, and schools, as well as expressions of gratitude or celebration by individuals in gift-giving situations.

Examples of Adoption

QUO CARD and QUO CARD Pay are both used for a range of applications, including incentives and greeting gifts for company campaigns, shareholder benefits, point exchange, and welfare benefits, as well as a range of support provided by local governments, NPOs, schools and other organizations.

Examples of local governments using QUO CARD and QUO CARD Pay have recently expanded nationwide, including applications for child-rearing support, livelihood support for low-income households in response to the rising cost of living, health promotion measures, and efforts to promote the dissemination of the Individual Number Card.

Purpose

In December 2022, to mark the 35th anniversary of its founding, QUO CARD Co., Ltd. established its purpose as a guiding principle for employees to move forward as one.

贈る想いに寄り添い、つなぐ。
小さな「うれしい」で、
笑顔あふれる未来を創る。

Our company will continue to create value by “connecting” various stakeholders such as people and people, people and companies, people and business, and people and society, and we will continue to pass on the thought of giving from person to person and toward the future.

Main Products



QUO CARD
▶ <https://www.quocard.com/>
(Japanese only)

QUO CARD can be used at familiar shops nationwide to purchase any merchandise at any time. It is easy to use and has become a standard gift card that can be given to anyone.

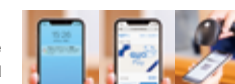


Cumulative number of
cards issued
Approx. 1 billion
(As of March 31, 2024)



QUO CARD Pay
▶ <https://www.quocard.com/pay/> (Japanese only)

QUO CARD Pay can be given quickly as a gift and used immediately without need for an app or registration of personal information. It is a digital gift that retains the joy of a gift card but features smarter ways of giving and use.



The official
characters
QUO (left)
and Pay
(right)

These services have received high praise from the local governments that have adopted them. This positive feedback highlights the strong recognition of the QUO brand and its ease of use, allowing anyone to use it with confidence. In particular, QUO CARD Pay has been highly praised for its ability to easily create original designs displayed on smartphone screens tailored to specific measures. It also generates fewer inquiries after distribution, as recipients can use the service immediately without having to download an app or register their personal information. Additionally, it has extensive support systems in place, provided by personnel dedicated to local governments.

Furthermore, since the launch of the QUO CARD Pay service in March 2019, the range of stores where it can be used has expanded across various genres, going beyond those that accept QUO CARD. These stores include convenience stores, drugstores, bookshops, supermarkets, large consumer electronics retailers, fashion retailers, and restaurants and cafes, providing a key selling point for adoption by many customers across a wide range of measures.

Subsidiary Information

List of Main Group Companies (by business segment)

Consumer Business

UNiCASE Co., Ltd.

Business Summary

- Operation of smartphone accessory specialty shops and EC sites

▶ <https://www.unicase.co.jp/> (Japanese only)

U N I C A S E

TG Solutions Corporation

Business Summary

- Information services development, sales, operations, and maintenance
- Development and sale of proprietary products

▶ <https://www.tgs.t-gaia.co.jp/> (Japanese only)



Enterprise Business

Infinity Communication Co., Ltd.

Business Summary

- Network systems consulting services
- Services for the design, construction, installation, maintenance, and operation of network systems
- Cloud technology consulting, design, and construction
- Personnel dispatching

▶ <https://www.infinity-c.co.jp/> (Japanese only)



TG Power Inc.

Business Summary

- Renewable Energy Business development, sales, and operations
- Power agent business and power consulting

▶ <https://tg-power.co.jp/> (Japanese only)



WAMNET Japan K.K.

Business Summary

- Digital content network management service provider
- Intra-company file transfer/file sharing service (Giga-CC)
- Content creation and high capacity, high speed data sharing service for distribution (DIRECT! EXTREME)
- Telecommunications network systems integration
- Hosting and housing
- Development and sale of fax server software

▶ <https://www.wamnet.jp/> (Japanese only)



PC Technology, Inc.

Business Summary

- Call center business
- PC life cycle management business
- Technician/engineer dispatching
- Sales support business

▶ <https://www.pct.co.jp/> (Japanese only)



V-Growth Co., Ltd.

Business Summary

- Consulting for adopting ICT mainly in the education industry, system environment construction, and operational support
- Education-related digital content services

▶ <https://www.v-growth.co.jp/> (Japanese only)



Social Innovation & QUO Card Business

QUO CARD Co., Ltd.

Business Summary

- QUO CARD issuing and payment processing operations, sale and maintenance of related devices, and advertising using QUO CARD as ad media
- QUO CARD Pay development, issuing, payment processing, and other related business

▶ <https://www.quocard.com/> (Japanese only)



T-Gaia Asia Pacific Pte. Ltd.

Business Summary

- The Payment Service Business including Gift Card sales in Southeast Asia
- Franchise expansion of ChargeSPOT, a mobile battery sharing service

TG Farm Inc.

Business Summary

- Agriculture (protected horticulture: strawberries), and farming and sale of field-grown vegetables
- Smart agriculture utilizing IoT technology and related systems

▶ <https://tgf.co.jp/> (Japanese only)



Sustainability Management

Sustainability-Related Policies

The T-Gaia Group will contribute to the sustainable growth of society through its business activities.

We will work to solve a range of social issues while continuing to create value for a prosperous future.



FY2024 Initiatives

We addressed many issues in FY2024, ranging from climate change to human rights and connections with local communities. In the area of environmental issues, we calculated and disclosed our GHG emissions, procured non-fossil certificates for ourselves and domestic subsidiaries, and obtained third-party verifications. In the area of human rights issues, we identified risks and reviewed our response measures as part of our human rights due diligence process. We also conducted a survey of our major suppliers to confirm the status of CSR procurement activities undertaken by our stakeholders. We also started participating in the “Children’s 110 House” initiative as part of our contributions to local communities.

Sustainability Promotion Structure

We believe that society must work to address many issues such as climate change, human rights, poverty, and diversity if it is to be sustainable. The Sustainability Committee, which we launched in May 2021 as a consulting body for the Management Conference, is chaired by the Officer in charge of Sustainability Promotion and is composed of the general managers of the Sales and Corporate Divisions.

In addition, in April 2022 the T-Gaia Group established a new Corporate Sustainability Department to increase the effectiveness of our sustainability management. It is responsible for making plans based on the policies defined by the Sustainability Committee and then implementing, evaluating, and improving these plans. The Corporate Sustainability Department carries out initiatives and concrete activities for further establishing sustainability management within the Group.



T-Gaia Group Roadmap

STEP 1: Creating the foundation FY2023 and earlier	STEP 2: Implementation FY2024	STEP 3: Enhancing sustainability management From FY2025
- Formulate various sustainability policies - Set carbon neutral targets, etc.	- Conduct a CSR procurement survey - Reduce CO₂ emissions, etc.	- Further promote use of renewable energy - Evaluate effectiveness of human rights initiatives, etc.

Sustainability Management

Message from the Officer in Charge

In accordance with the T-Gaia Group Sustainability Policy, we will work to solve social issues and achieve sustainable growth for society and the T-Gaia Group.



Kaoru Hayashi

Senior Executive Officer
Director of Corporate Planning
and Sustainability Promotion

Looking Back on FY2024

It has been three years since we established the Sustainability Committee in May 2021 with the aim of achieving sustainable growth for society and the T-Gaia Group. During the first two years, we formulated the Basic Sustainability Policy and set environmental targets. In the third year, FY2024, we implemented a range of related measures. In addition to conducting a CSR procurement survey of suppliers to assess each supplier's situation, we have started preparing our human rights due diligence by conducting risk evaluations based on our Human Rights Policy. Our efforts to enhance environmental disclosures have also been recognized, resulting in an improved CDP score compared to FY2023. We decided that, going forward, we will conduct third-party verifications of our environmental data to guarantee the accuracy of our disclosures.

Relationship Between Management Strategies and Sustainability Strategies

In the new Medium-Term Management Plan announced in May 2024, we reviewed Our Goal and the TG Material Issues that we previously established. In response to the significant changes in the business environment during our previous Medium-Term Management Plan, we thoroughly discussed the situation, reviewed our risks and opportunities, and reorganized our material issues accordingly to address these changes. To achieve sustainable growth, we identified material issues that will help us solve social issues and reinforce our business foundation. These material issues are linked to the management and sales strategies in our new Medium-Term Management Plan, and we have set KPIs that we will monitor to enhance corporate value.

Environmental Initiatives

We have set a target of achieving zero greenhouse gas emissions by FY2041 and have also committed to switching to 100% renewable energy for our main power usage. To achieve these targets, we purchased non-fossil certificates for the power used at our head office, regional headquarters, branches, and seven subsidiaries, aiming for the transition to renewable energy. Going forward, we will accelerate these environmental efforts by promoting the transition to renewable energy for the power used at our directly managed stores.

At the same time, we are providing sustainability training for each subsidiary and promoting sustainability management throughout the entire Group.

Message to Stakeholders

As explained above, the new Medium-Term Management Plan outlines management and sales strategies that are linked to our material issues in accordance with the T-Gaia Group Sustainability Policy.

To reinforce our business foundation, we will enhance employee engagement by respecting diversity and pursuing job satisfaction. In addition to promoting the transition to renewable energy for our own power usage, we will help our customers solve environmental issues by increasing the number of installations of solar power generation systems by our subsidiary TG Power Inc. We will enhance these initiatives as we actively address environmental problems and climate change. Moreover, we will enhance corporate governance to improve the transparency of our management and financial structures for shareholders and other stakeholders and gain their trust.

Finally, we aim to create shared value as a member of local communities through our nationwide network of sales sites and other channels. We will also aim to sustainably develop through collaboration with business partners, and work to solve social issues and achieve sustainable growth for society and the T-Gaia Group.

Stakeholder Engagement

We believe that dialogue with stakeholders is important to the ongoing growth of our Group.

We strive to communicate in order to clearly identify the responsibilities and issues of the Group with respect to our relationships with all stakeholders, and to make improvements.

We sincerely value the opinions and requests that come out of our dialogues with stakeholders while we work to resolve social issues and increase our corporate value.



Customers

[Purpose]

We aim to accurately identify customer needs through dialogue, enabling us to provide products and services that are appreciated and trusted, thereby enhancing customer satisfaction.

■ Main Forms of Dialogue and Communication

- Customer service at sales sites
- Sales activities
- Conveying information on our websites
- Customer inquiry lines



Business Partners

[Purpose]

We aim to establish close relationships of mutual trust through ongoing fair and just dialogue, to fulfill our social responsibilities in areas such as human rights, labor, and environmental protection, and to grow sustainably together.

■ Main Forms of Dialogue and Communication

- Daily communication
- e-learning
- Shop diagnoses
- Research surveys



Local Communities

[Purpose]

We aim to build good relationships with local communities to understand the characteristics and needs of those communities. We also aim to conduct activities accordingly to create a society where local communities can develop, diversity is respected, and everyone can live happily.

■ Main Forms of Dialogue and Communication

- Participation in volunteer activities
- Local community activities
- Fostering the next generation



Shareholders

[Purpose]

We aim to ensure transparency and reliability of disclosures, provide information in a timely and appropriate manner, deepen trust with shareholders, and establish positive communication that supports investment decision-making.

■ Main Forms of Dialogue and Communication

- General Meeting of Shareholders
- Earnings briefings
- Individual dialogues with institutional investors
- Web seminars for retail investors
- Integrated Report
- IR website



Employees

[Purpose]

We aim to respect the human rights of every employee, build better work environments, and implement appropriate support and improvement measures through dialogue, thereby achieving employee health and sound growth of the entire organization.

■ Main Forms of Dialogue and Communication

- Employee training
- Career assessments
- Stress checks
- Internal consultation office
- Health guidance (meetings with public health nurses)
- Internal newsletter



Government Agencies and Associations

[Purpose]

We aim to comply with laws, regulations, agreements, and standards, fulfill our social responsibilities, and conduct sustainable business activities through appropriate provision of information and cooperation.

■ Main Forms of Dialogue and Communication

- Response to laws and regulations
- Collaboration in studies and questionnaires
- Collaboration in and support for social contribution activities

Our Strengths



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Human Capital Management: Diverse Employee Work Styles

T-Gaia's Diversity & Inclusion (D&I) Promotion Policy

One element of the T-Gaia Corporate Philosophy is TG Action: T-Gaia's Code of Conduct, which includes "We respect our employees' diversity to foster the best teamwork." To realize this commitment, T-Gaia has positioned the promotion of diversity and inclusion, including the promotion of the active participation of women, as an important management strategy, and is actively working to achieve it, based on the policy outlined below.

- Regardless of age, gender, nationality, disability, sexual orientation, gender identity, work style, or other factors, we will respect individuals with different opinions and values, maximizing each individual's abilities to create innovation.
- We will support each other, demonstrate our strengths, and continue to actively take on challenges, maximizing company-wide performance as a unified team.
- We will build an enriching workplace environment in which all employees with various backgrounds and diverse working styles can play an active role while achieving a work-life balance.

Diversity and Inclusion (D&I)

The products and services we handle in the telecommunications industry, in which we play a part, are becoming increasingly diverse and sophisticated every day. In this environment, to meet the various needs of our customers, we have established the Diversity Promotion Team as a dedicated department to respect and promote the diversity of the employees who provide our services. Having positioned D&I as an important management strategy, we are continually working to achieve it in line with our Diversity & Inclusion Promotion Policy.

To further strengthen these efforts, in April 2024, we changed the name of the Diversity Promotion Team to the DEIB & Well-Being Promotion Team, with DEIB standing for diversity, equity, inclusion, and belonging. As part of our efforts to achieve DEIB, set forth in our human resource strategy under the Medium-Term Management Plan, we aim to provide our diverse human resources with fair opportunities to take on challenges and thrive while staying true to themselves. This approach reflects the concepts of equity and belonging, representing "fairness" and a "sense of unity and belonging," respectively. At the same time, we aim to foster a corporate culture where employees can play active roles and flourish in workplaces with high levels of psychological safety, allowing them to belong with a sense of unity and trust.



Voice

Gain Invaluable Time by Taking Parental Leave

Satoshi Osaki
Manager of IT Management Team, Digitalization Department, Person in Charge of Digitalization

With my wife working full time, I decided to take childcare leave to support her. The expected delivery date coincided with a busy period at work, so I adjusted my leave to one month to align it with a quieter time when my wife was scheduled to return after giving birth in her hometown. I went on leave after completing handover duties and preparation for assignment of task during my absence. Having experienced household chores during my leave, I learned firsthand how challenging it is to raise a child while doing housework and the importance of adjusting

schedules. In many ways, taking childcare leave has helped me achieve a better balance after returning to work as well.

It was also an extremely precious experience to be so close and watch my child grow day by day, so I feel it was a necessary part of my life going forward. My advice, including for those who are uncertain about whether to take childcare leave, is that properly preparing and communicating with the people around you will ensure you spend invaluable time with your child.

Examples of Specific Initiatives

We are working to realize diversity and inclusion in our workplaces and promote diverse work styles, regardless of time and place, aiming to create workplace environments where all employees, with their varied backgrounds and values, can play active roles while enjoying their work.

Implementation of various training programs, including career design training for women to foster the next generation of managers and manager training that contributes to the active participation of women (target: 15% of management positions filled by women by FY2026)	● Promotion of active participation of female employees ● Employment rate of management positions filled by women 13.0%¹
Support for employees balancing childcare, nursing care, fertility treatment, etc.	● Promotion of the use of childcare leave by male employees ● Support for balancing fertility treatment and work ● Information sharing sessions for employees on maternity or childcare leave ● Rate of childcare leave usage by male employees: 70.6%²
Hiring of persons with disabilities and retention support (target: 2.7% employment rate of persons with disabilities in FY2025)	● Implementation of recruitment activities that consider the characteristics of work content and disabilities ● Regular face-to-face meetings, internal exchange sessions, and other initiatives for retention support ● Employment rate of persons with disabilities: 2.7%¹
Expansion of workstyles for senior human resources and career selection support	● Greater flexibility in setting suitable working days and in the operation of the side job and multiple job system ● Implementation of life plan training
Improvement of systems and facilities to support diverse sexual orientation and gender identity (SOGI) and implementation of internal awareness-raising activities	● LGBT training and Ally Seminars ● Adoption of a same-sex partnership program and development of internal rules to support diverse SOGI ● Installation of gender-free toilets and establishment of outside consultation points
Initiatives to promote diversity and flexibility of work styles and to improve operational efficiency and productivity	● Expansion of super-flex and remote work systems ● Further promotion of paperless operations ● Promotion of use of digital technologies such as RPA and AI ● Revitalization of the assignment work system at regional headquarters and branches, etc.

1 As of April 2024 2 Actual achievements in FY2024, including T-Gaia's own Ikumen Support Leave System

Human Capital Management: Diverse Employee Work Styles

T-Gaia Health Declaration

Health Declaration

“We pledge to care for our employees and their families to ensure that everyone finds joy in work.” At T-Gaia, we consider this pledge to be our most important mission. For the development of our business, we believe it is important that we and our families become healthier and full of energy. To remain a company able to propose new ways of communication to provide our customers with excitement, delight, and safety into the future, we pledge to actively support the maintenance and enhancement of our employees’ health, with these efforts primarily driven by our officer in charge of human resources.

Action Policies

- We respect the diversity of our human resources and recognize that health also comes in many forms. In light of this, we will build a culture of openness and trust in the workplace, where all employees can work in a safe, hygienic, and healthy manner, and we will support work styles that produce the best performance.
- Employees shall be fully aware that their own health is the company’s source of energy. They shall properly understand the latest information on health maintenance and enhancement, and systems both inside and outside the company, and actively communicate information that is necessary for staying healthier to the company and their colleagues. Furthermore, while gaining understanding from the workplace, they shall support one another and take action to achieve their own health.

Health and Productivity Management

We recognize that supporting the maintenance and enhancement of our employees’ health is essential for pursuing job satisfaction and comfortable work environments for each of our employees, and for improving corporate value. With this in mind, we established a dedicated department (currently the DEIB & Well-Being Promotion Team) to actively promote health and productivity management in line with the T-Gaia Health Declaration.

In our health and productivity management as well, in light of our commitment to fostering engagement as part of our human resource strategy under the Medium-Term Management Plan, we will focus on achieving well-being for employees, including feelings of social well-being, in addition to mental and physical health. Through this approach, we aim to improve employee motivation and satisfaction.



Voice

Daily Walks to
Improve Health

Kumiko Yamaguchi
Manager of Education Team, Mobile Strategy Department I,
Mobile Division I, Consumer Business Unit

I make a habit of going for a walk every day for my health, so when I heard about an inter-company walking event, I immediately decided to participate. We competed on the number of steps taken, and I felt a sense of fulfillment and accomplishment when I ranked among the top. Also, because it was a team competition, the cooperation among participants fostered good teamwork as well.

I usually aim to walk around 8 kilometers on weekdays and 20 kilometers on weekends. I have explored canals, shrines, and temples in

the neighborhood while sightseeing, and I have also walked across the Rainbow Bridge.

The other day, I participated in the Tokyo Xtreme Walk 100 event, which ran from Odawara to the Meiji Shrine. It was a very challenging experience, but I managed to finish without incident.

I feel that continuing to walk has not only improved my health awareness but also helps me stay healthy and enhance my health as well.

Examples of Specific Initiatives

We implement a variety of health measures to support the maintenance and enhancement of our employees’ mental and physical health, including improving workplace environments so that every employee can work with passion.

Health guidance based on the results of routine checkups and comprehensive health exams, along with follow-ups after stress checks	● Visiting on-site examinations by occupational health physicians aimed at maintaining and improving the work environment ● Individual meetings with full-time public health nurses
Establishment of in-house consultation offices, and mental health education	● Establishment of the TG-Support Lounge with support provided by in-house (occupational health) counselors ● Chain-of-command care and self-care training to improve mental health literacy
Measures for improving productivity to recover from fatigue and reduce stress	● In-house massage room operation to eliminate fatigue ● Participation in walking events to encourage regular exercise
Creation of support systems for employees to assist them in balancing work and the treatment of injuries and illnesses	● Expansion of support systems for balancing medical treatment and work, including improved convenience of the specific disease-leave program that provides employees with special leave for specific diseases ● Entry into a Group Long-Term Disability (GLTD) insurance benefit that supports employees unable to work for long periods due to illness or injury
Initiatives to encourage employees to quit smoking and to prevent second-hand smoke exposure, and internal educational activities	● Establishment of “Suwan Suwan +1 T-Gaia No-Smoking Day” ● Provision of online smoking cessation program
Initiatives to address health issues specific to women	● Femtech seminars and healthcare method seminars for working women ● Working Women Health Score survey

Employee Roundtable Discussion

The Desire to Connect and Young Employees

Since FY2025, we have started the new Medium-Term Management Plan. Young employees gathered to discuss their “desire to connect” and activities for connection. They embody our goal under the Medium-Term Management Plan: “Creating a better future for customers and contributing to society through “the desire to connect.”

Ryosuke Tominaga

Marketing Team, Business Design Dept.
Consumer Business Div.
Consumer Business Unit

Hinako Murai

Human Resources Development Team
Human Resources & General Affairs Dept.
HR, Audit, Compliance, CS, and BPR
Corporate Division

Aoi Shundo

Sustainability Strategy Team
Corporate Sustainability Dept.
Corporate Planning and Sustainability
Representative
Corporate Division

Tomoyasu Hoshi

Sales Team, Solution Development Dept.
Solution Div.
Enterprise Business Unit

Kento Takagi

Sales Promotion Team
Payment Service Business Dept.
Social Business Div.
Social Innovation & QUO Card Business Unit



About business units

—Today, we have gathered everyone from each business unit. First, please tell us about the business unit you belong to.

Tominaga: The Consumer Business Unit to which I belong oversees the B2C business. While its core business is the management of mobile shops, it also engages in the retail service business that handles Fitbit (a wearable activity tracker) and smartphone accessories.

Murai: The Human Resources & General Affairs Department, as its name suggests, engages in tasks related to all aspects of human resources. The main tasks of the Human Resources Development Team include overall recruitment activities and in-house training. When recruiting new graduates (career-track employees) we provide support that ranges from implementing internship programs and preparing for candidate screening to following up with selected candidates and facilitating their entrance into the company.

Hoshi: The Enterprise Business Unit to which I belong mainly engages in B2B services. These include selling business terminals as a sales agent

for telecommunications carriers, providing the “TG Hikari” service—our optical fiber line brand—and addressing customers’ issues with ICT.

Shundo: The Corporate Sustainability Department to which I belong aims to enhance our group’s corporate value and ensure its continued existence and prosperity alongside society. To achieve this goal, we undertake two main tasks: sustainability promotion and public relations. Specifically, we establish our company’s policies on human rights and climate change and implement them. We also conduct in-house training and internal projects to revitalize CSR activities, thereby deepening and enhancing employees’ understanding and awareness of sustainability. The public relations task involves managing our website and company newsletters.

Takagi: The Social Innovation & QUO Card Business Unit to which I belong engages in payment services, including prepaid cards, gift cards, PINs, and QUO cards. It also develops new initiatives and a wide range of businesses in entirely different areas, such as regional revitalization with local governments, health care, FemTech and smart agriculture.

The Sales Promotion Team to which I belong mainly engages in the planning and management of payment systems and overseas business.



Each one’s desire to connect

—We now understand what each business unit does. As stated in our new Medium-Term Management Plan announced in May this year, “the desire to connect” is the key theme of our company’s activities. I understand that all of you are actively working in your business units, embracing your “desire to connect.” Please share your activities and thoughts related to this.

Toward a carrier shop that is needed in the local community Programming class activities

—First, shall we hear from Mr. Tominaga from the Consumer Business?

Tominaga: My responsibility is to create new products and services utilizing the assets of mobile shops. As a specific initiative, we have opened a programming class for elementary school students, utilizing a

Positions are current as of April 1, 2024

Employee Roundtable Discussion

vacant space in the Uehonmachi docomo shop in Osaka, and we provide support for its operation.

In most cases, customers visit docomo shops to resolve issues related to mobile handsets. However, we want to deepen our relationships with them and transform our shops into ones that stay close to the community, going beyond mobile handset support. Although we have operated smartphone classes for the elderly to eliminate the digital divide, we started this project to further expand our customer base and provide learning opportunities for children who will lead the future. The children enjoy and actively participate in the class every week, creating a vibrant and positive atmosphere in the shop.

Shundo: Do you face any difficulties or joys while supporting the children's growth?

Tominaga: I have difficulties running the classes smoothly.

During the class, some children give up on tasks and start playing, while others struggle to deliver good presentations in front of everyone. However, as they attend the class, these children begin to take on the challenge of solving difficult questions independently and become more confident in delivering presentations. Watching them develop like this brings me joy.

Takagi: What else do you value in managing the classes?

Tominaga: In our classes, instead of directly providing answers, we guide students to think independently, thereby expanding their growth and potential as individuals through programming. We value this process.

We would like to make our shops ones that are needed by the local communities, so that when the children grow up, they can look back and say they're glad they attended this class. We hope to connect children with an abundant future so that they can utilize what they learned here in the future.



Communicate our company's appeal and help them join Recruitment initiatives for new graduates

—Ms. Murai of the Human Resources & General Affairs Department, what kind of connecting activities are you engaged in?

Murai: As a recruiter for new graduate career track hires, I have connected the Company's aspirations to students.

Recently, as the COVID-19 pandemic has settled down, various companies have resumed recruitment activities and expanded their hiring quotas. Many students are likely to have received unofficial offers at an early stage, and competition in the recruitment market is intensifying. In this context, we engage in daily activities to inspire students' eagerness to work with us by communicating our company's vision and appeal. Conversely, we also support students who wish to join our company, helping them convey their thoughts to the interviewers.

Takagi: Do you have any difficulties in your recruitment activities?

Murai: I am having difficulties conveying the appeal of our company. Since students' ideas and trends change every year, I find it hard to keep up with these trends and stay close to the students.

Hoshi: Are you engaging in any new initiatives to respond to these trends?

Murai: We are implementing new plans, on-demand distribution, and recruitment management tools in consultation with our superiors as necessary.

Tominaga: What makes you feel rewarded in your work?

Murai: I feel rewarded when I can serve as a bridge between students and our company. In fact, I felt joy when I heard students say, "I decided to join the company thanks to Ms. Murai" or "I was grateful for your kind support."

Relieving anxiety with the power of ICT Connecting the elderly with caregivers

—Mr. Hoshi, please tell us about your activities in the Enterprise Business Unit.

Hoshi: I am a sales representative at a division that addresses customers' issues with ICT equipment and solution services.

One of the memorable activities was a project to provide devices to a nursing home. While the elderly residents often use a buzzer to call a caregiver in the middle of the night, they may feel uneasy if no caregiver is available in the office. To address these issues with the power of ICT, we started the project. We created a system that sends information about a buzzer call to the smartphone device carried by the caregiver when a resident rings the buzzer, so that caregivers can get the information anytime and anywhere. We believe this could alleviate the concerns of residents and reduce the workload of the caregivers.

Tominaga: How did the nursing home project start?

Hoshi: This has been a horizontal, cross-departmental project. We originally installed TG Hikari in the office of the company that operates the nursing home. When we interviewed the company to learn about issues in the field, not just in the office, they shared a lot of feedback with us, which led to this proposal.

Toward a world that values human rights and environment CSR Procurement Initiatives

—Ms. Shundo, what are your thoughts on the activities at the Corporate Sustainability Department?

Shundo: I am in charge of CSR procurement.

Tominaga: What is CSR procurement?

Shundo: CSR means corporate social responsibility and it refers to considering not only quality and price but also the labor conditions of suppliers, human rights, and the impact on the global environment when procuring resources and materials.

Through CSR procurement, I connect the entire supply chain to a safe and secure environment for everyone. We have established a CSR Procurement Policy and conduct our business activities based on the policy, and we require all our business partners to comply with it. We also confirm through questionnaires whether our business partners are

Employee Roundtable Discussion

conducting their activities with consideration for human rights and the environment. By engaging in CSR procurement, I promote our activities with a sense of mission to ensure that not only our company but also all those involved with us can operate safely and securely while smiling.

Hoshi: Given our many business partners across various industries, conducting questionnaires with all of them would be difficult. What creative approach do you take?

Shundo: As we have a large number of business partners, we conduct questionnaires in phases. Last year, we conducted questionnaires aimed at our suppliers. We plan to expand our scope in the future.

From Japan to South East Asia, and from South East Asia to Japan A bridge between countries

—Mr. Takagi, please tell us about your activities in the Social Innovation & QUO Card Business.

Takagi: I am in charge of overseas business and carry out relevant duties of T-Gaia Asia Pacific Pte. Ltd., a wholly owned subsidiary of our company. Specifically, I support the sales of gift cards and ChargeSPOT services in Singapore, while promoting business development in other Southeast Asian countries. I am also planning a project to introduce services and businesses that are popular in Southeast Asia to Japan. Every day, I feel that I am connecting goods, people, and services across countries.

Murai: Each country has its own culture and values. Are there any difficulties you face specifically because it's overseas business?

Takagi: I find it difficult that miscommunication can easily arise due to language differences, and that different cultures have different perspectives on time and work. I struggle when tasks and projects can be easily delayed due to our sentiments and nuances not being fully communicated.

Hoshi: How do you address such cases?

Takagi: If any issues arise, I immediately make a call to align our understanding and discuss the next actions, instead of relying on email or chat. In addition, I basically try to maintain closer communication than in conversations between Japanese speakers to avoid delays and strive to be courteous in conveying the sentiment and significance of each project.

Future aspirations

—Finally, what are your future aspirations for the activities to connect?

Tominaga: Although we have currently launched our business as a programming class for children, we aim to engage in activities to connect customers to an abundant future. We want to make our mobile shops places that enhance satisfaction for a wider range of customers, not just children.

Murai: I believe our business environment will continue to change in the future, and I will strive to connect our company with human resources who can bring a new breeze. I also want to advance my career to improve



the work environment for employees after joining the company, in addition to supporting students before they enter.

Hoshi: By using ICT equipment and solution services to solve customers' problems, I aim to make proposals that enhance not only the end users' experience but also the joy that follows, such as allowing the employees of the companies we serve to spend more time with their families.

Shundo: Through the promotion of CSR procurement, I want to strive to create a world where fair trade is the norm, ensuring that all parties involved in the supply chain, including our company and our direct suppliers, are not unfairly exploited.

Takagi: I would like to work hard every day to provide our customers with the value created by new initiatives and business efforts. Once the business development initiatives in my department settle down, I hope to enhance my market value so that I can fill any gaps like a pinch hitter, connecting businesses that need to connect, whether inside or outside our company.



Customer-Focused Initiatives

Approach to Customer Service

As the largest primary distributor in Japan for telecommunications carriers, T-Gaia operates its Consumer Business with approximately 1,800 sales sites across the country, including directly-managed carrier shops.

T-Gaia also operates its Enterprise Business to support ICT adoption by companies, and its Social Innovation & QUO Card Business to solve social issues through business. By providing a wide range of products and services through diverse channels, we are working to realize our vision: “T-Gaia will propose new ways of communication to provide our customers with excitement, delight, and safety.”

Going forward, we will continue providing services from a market-in perspective to meet the various needs of customers, striving to satisfy as many customers as possible.



Initiative 1

Rebuilding the Education System

To create stores that customers choose to shop in, we have defined the customer service mindset and skills required of all staff and crew members, which should be commonly aspired to across all our directly-managed shops. We have also rebuilt our human resource development systems accordingly.

The education system consists of development and training programs tailored to the skills required at each level, from new staff and crew members to sales personnel and managers.

We are also working to raise and standardize the basic capabilities at our stores by using a common check sheet to improve business manners, personal grooming, and cleanliness in front of customers.



Initiative 2

Contact with Online Customers (Diversification of Customer Reception)

To meet the diverse needs of customers, and to enhance customer reception by improving productivity at existing stores, we are actively developing our own system for contact with online customers.

We consolidated the initial setting operations previously performed in each shop into our online support center and we have also launched online reception for various sales and administrative procedures on a trial basis.

Going forward, we will continue to explore further expansion as part of our initiatives tailored to customer needs.



Initiative 3

Proposing Optimal Solutions According to Company Size and Type of Industry

While DX is a major issue for companies, the IT technologies and services that support it are rapidly advancing and becoming increasingly complex. We are working to develop products and services, as well as human resources, to respond to these IT trends as quickly as possible. Our corporate clients also face a wide variety of issues depending on their company size, industry, or business type. Through our years of experience, know-how, and communication with our clients, we will propose optimal solutions regardless of company size or type of industry.



Business Partner-Focused Initiatives

Supply Chain Management

The T-Gaia Group believes that conducting business activities with consideration for laws and regulations, the environment, human rights, and other matters is essential for contributing to the sustainable growth of society. Based on this belief, we formulated the T-Gaia Group CSR Procurement Policy and the CSR Procurement Policy Guidelines, which promote sustainable procurement from the perspectives of legal compliance and conservation of the global environment.

We aim to achieve a sustainable society by communicating this policy and guidelines to our business partners and gaining their understanding.

T-Gaia Group CSR Procurement Policy

- | | | |
|--|---|--|
| 1 Fair and Equitable Business Activities in Compliance with Laws and Regulations | 2 Respect for Human Rights and Consideration for Occupational Health and Safety | 3 Consideration for the Global Environment |
| 4 Ensuring Product Quality and Safety | 5 Information Security Measures | 6 Developing a Business Continuity Plan |

T-Gaia Group CSR Procurement Policy ▶ <https://www.t-gaia.co.jp/corp/en/sustainability/policy.html#anc2>

CSR Procurement Guidelines ▶ <https://www.t-gaia.co.jp/corp/en/sustainability/pdf/csrProcurementGuidelines.pdf>

T-Gaia Agents' Shop Initiatives

Once each year, we conduct a shop diagnosis for each of our agents' shops, our important business partners, to ensure that they are being operated correctly in accordance with laws and rules.

We also administer e-learning to staff involved in sales to raise their compliance awareness.

Through these initiatives, we are striving to create an environment in which agents' shops and the employees in them can feel secure carrying out shop operations.



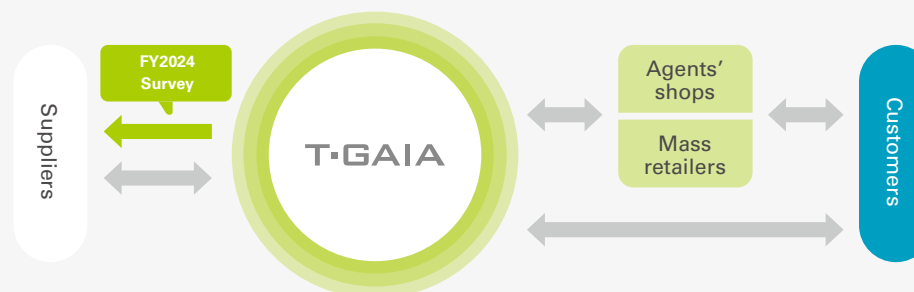
CSR Procurement Initiatives in FY2024

We conduct questionnaire surveys to understand the status of CSR procurement initiatives undertaken by our business partners. In FY2024, we conducted questionnaire surveys with our suppliers.

For the survey, we used the CSR Procurement Self-Assessment Questionnaire created by Global Compact Network Japan, which covers nine themes: corporate governance related to CSR, human rights, labor, environment, fair business practices, quality and safety, information security, supply chain, and harmonious coexistence with local communities.

Based on the responses from our business partners, we found no major issues. We will continue conducting this survey in the future to help improve our supply chain management. We will also continue to promote CSR procurement throughout the entire supply chain in cooperation with our business partners.

Main Supply Chain in Which T-Gaia Is Involved



Compliance Reports

We share the latest information about laws, regulations, and trends related to compliance issues, not only within our company but also with agents' shops and business partners.

Rather than stopping at legal and regulatory compliance, we work to ensure that everyone involved engages in business operations with a high degree of focus on compliance in accordance with healthy business practices of the industry as a whole, societal demands, corporate ethics, and management ethics.



Initiatives for Local Communities

Strategy

T-Gaia has identified “creating shared value as a member of local communities” as one of its TG Material Issues for solving social issues through business. Sub-categories under this material issue are “coexistence with local communities through business,” “raise customer satisfaction and provide inspiring experiences,” and “create a digital society where no one is left behind.”

We understand that systems that enable close collaboration with each local community and local government are necessary for solving this material issue. Therefore, at our nationwide sales bases and sales sites, we will develop collaborative systems with government as regional insiders and coordinate projects for solving local issues with diverse stakeholders.

Future Initiatives

- Actively use local community revitalization entrepreneurs and the corporate home-town tax system
- Promote the health of local residents through collaboration with healthcare businesses
- Expand healthcare business by integrating community digital health offices with femtech*

Collaborations with Local Governments

T-Gaia is participating in a government project to provide support for the use of digital technologies (regional cooperation). We are also holding classes on basic smartphone operation and government services using smartphones, such as submitting an application for an Individual Number Card, in our carrier shops and also in seven local government-operated facilities nationwide.

Under direct contracts with local governments, we are also conducting on-site smartphone classes and providing support for Individual Number Card applications.

By actively implementing these initiatives, we will work to eliminate the digital divide and contribute to creating a digital society where no one is left behind.

Local governments cooperating in projects to provide support for the use of digital technologies in FY2025

Prefecture	Municipality
Niigata Prefecture	Sekikawa mura
Niigata Prefecture	Kariwa mura
Nagano Prefecture	Shinano machi
Nagano Prefecture	Kijimadaira mura
Nagano Prefecture	Nozawaonsen mura
Aichi Prefecture	Oguchi cho
Gifu Prefecture	Anpachi cho

Classes held under direct contract with local governments in FY2024

Prefecture	Municipality	Description
Chiba Prefecture	Katsuura City	Smartphone classes for seniors and individual consultations
Ibaraki Prefecture	Kamisu City	Smartphone classes for seniors Smartphone consultation sessions for volunteers
Nara Prefecture	Ikoma City	Smartphone classes and individual consultations for using LINE app
Fukuoka Prefecture	Munakata City	Smartphone classes for seniors and individual consultations
Fukuoka Prefecture	Chikushino City	Smartphone classes for seniors
Fukuoka Prefecture	Kurume City	Smartphone classes for seniors

Initiatives for Children Who Will Lead the Next Generation

Directly Managed Stores Around Japan Participating in the “Children’s 110 House” Initiative

T-Gaia supports the “Children’s 110 House” initiative to ensure the lives of children in local communities are safe and secure. Stores participating in this initiative display a sticker or other signage to indicate that they are a safe place for local children to shelter when they feel endangered and need help. They provide protection to affected children and, if necessary, contact the police, school, or other relevant individuals.

T-Gaia participates in this initiative through its carrier shops and other directly managed stores* nationwide.

* Excluding stores unable to participate due to being shop-in-shops or located in areas that fall outside local regulations



Initiatives for Children’s Education

To provide children with accurate information about the risks that they face, and to raise awareness to help prevent these problems from occurring, T-Gaia is continuing to conduct e-Net Caravan activities with the support of the Ministry of Internal Affairs and Communications and the Ministry of Education, Culture, Sports, Science and Technology. T-Gaia has 438 e-Net Caravan-certified instructors (as of April 30, 2024), primarily among its nationwide carrier shop staff, and participates in internet and smartphone safety and security class activities for parents, teachers, and children, from elementary school to senior high school aged children.

e-Net Caravan Classes in FY2024

Total Classes (cumulative)
50
No. of Participants (cumulative)
11,955



e-Net Caravan workshop

e-Net Caravan Classes in FY2024 (abridged)

Location	School Name	No. of Participants
Miyagi	Miyagi Prefecture Sanuma High School	Students: 692, Faculty: 44
Ishikawa	Kanazawa University Junior High School	Students: 476, Faculty: 35
Tokyo	Kunitachi Daigo Elementary School	Students: 180, Parents: 90, Faculty: 7
Aichi	Tokoname Municipal Tokoname Junior High School	Students: 764, Faculty: 30
Osaka	Minoh Municipal Minami Elementary School	Students: 370, Parents: 20, Faculty: 15
Fukuoka	Fukuoka Prefectural Yame Technical High School	Students: 706, Faculty: 70

Initiatives for Local Communities

Head Office

Blood Drives

Through the Japanese Red Cross Society, we take part in blood drives to save the precious lives of people who need blood transfusions to treat illnesses or in surgeries. Twice a year, we conduct blood drives at our head office building.



Blood drive in our head office

	FY2021	FY2022	FY2023	FY2024
No. of participants	87	76	99	95

Tokai Regional Headquarters

Support for Foodbank Activities

In support of the food bank activities of the certified NPO Second Harvest Nagoya, the Tokai Regional Headquarters donates food when replacing its disaster stockpiles. These activities collect edible food that has been discarded for a variety of reasons, from companies and individuals, and distribute it to facilities and individuals in need.



Support for Go Green Project (Water Purification and Improvement)

In support of the Go Green Project organized by Go Green Japan, a General Incorporated Association, the Tokai Regional Headquarters cooperates by collecting used and expired hand warmers, which would otherwise be disposed of as waste, in an office collection box and sending them for recycling. The Go Green Project recycles the materials from disposable personal hand warmers for use as water purifiers and soil improvers.

West Japan Regional Headquarters

Participation in Osaka Marathon Cleanup Campaign

The West Japan Regional Headquarters participated in the Osaka Marathon Cleanup Campaign, organized by the Environment Bureau of the Osaka City Government, in conjunction with the 2024 Osaka Marathon held on February 20, 2024. The headquarters conducted a cleanup activity around its office.

As a result of voluntary participation-based recruitment, we received applications from as many as 25 employees, reflecting a strong sense of volunteerism among employees.



Group photo of participants

Attendance at the Dementia Support Training Course

The West Japan Regional Headquarters requested the Caravan-Mate Secretariat of Osaka City to send an instructor to the office, resulting in all 27 employees who voluntarily participated acquiring dementia supporter qualifications. By deepening participants' understanding of dementia, the initiative enables each employee to contribute to the local community in ways beyond business, and we will continue to expand the activity going forward.

Kyushu Regional Headquarters

Fukuoka Prefecture SDGs Registration System

The Kyushu Regional Headquarters has registered with the Fukuoka Prefecture SDGs Registration System. Through this system, Fukuoka Prefecture publicly announces companies and organizations within the prefecture that are actively working to achieve the SDGs, making their contributions more visible.

We will continue our efforts to contribute to a more sustainable future through community-based initiatives.



IT Classes for Children in Collaboration with Fukuoka Prefecture and Dai-ichi Life Insurance

As part of the Future Children's Challenge Support Project launched in FY2024 by Fukuoka Prefecture, the Kyushu Regional Headquarters has collaborated with Fukuoka Prefecture and Dai-ichi Life Insurance Co., Ltd. to organize an experiential project. Titled "Stop-Motion Video Challenge: Becoming Video Creators of the Future," the project targets children in the senior classes of nursery school and kindergarten through to Year 6 of elementary school. The project has been planned and executed to enable children to create stop-motion videos using ICT devices, taking photographs, composing background images, and adding music. In doing so, it allows them to experience the joy of creating imaginary worlds on video and provides an opportunity to envision their future careers.

Environmental Initiatives

Environmental Management

In accordance with our Environmental Policy, our Group not only complies with environmental laws and regulations but also seeks to reduce the burden its business activities place on the environment and to solve environmental problems through business.

To achieve Our Goal, we have established a “proactive approach to environmental issues and climate change” as one of our material issues. We are working to address this issue with a greater focus on reducing greenhouse gas emissions across our entire business environment and promoting our Renewable Energy Business. As part of our initiatives to achieve a recycling-oriented society, we will focus on reducing and reusing waste, including through the collection of used smart devices, and recycling resources to reduce both our own and society’s greenhouse gas emissions.

We have also established the T-Gaia Group CSR Procurement Policy, which applies to our entire supply chain, to help realize a sustainable society. In line with this policy and its guidelines, and from the perspectives of addressing climate change and protecting the global environment—including consideration of the natural environment—we strive to enhance our efforts in collaboration with our business partners, not just through our own activities.

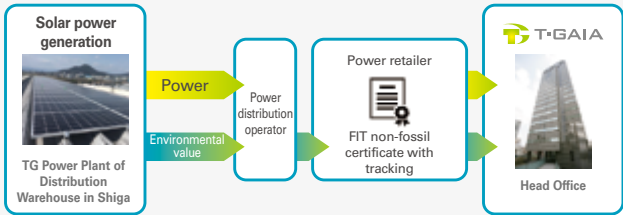
Environmental Initiatives

Substantive Transition to 100% Renewable Energy for Power Used by T-Gaia and T-Gaia Group Companies

We procured non-fossil certificates equivalent to the amount of power we consumed in FY2024, thereby achieving a substantive transition to renewable energy. In this way, we achieved net-zero emissions by offsetting approximately 1,174 t-CO₂ emitted by our Ebisu head office, regional headquarters, branches, and domestic Group companies in the same fiscal year.

We have set a target of switching to 100% renewable energy for the main power used by the Group by the year 2040, and we are promoting the adoption of power from renewable energy sources. To achieve carbon neutrality, we will reduce our greenhouse gas emissions and contribute to realizing a decarbonized society.

Used FIT non-fossil fuel certificate with tracking, originating from the TG Power Plant of Distribution Warehouse in Shiga (environmental value) to substantially achieve a transition to renewable energy for the power consumed by the Head Office



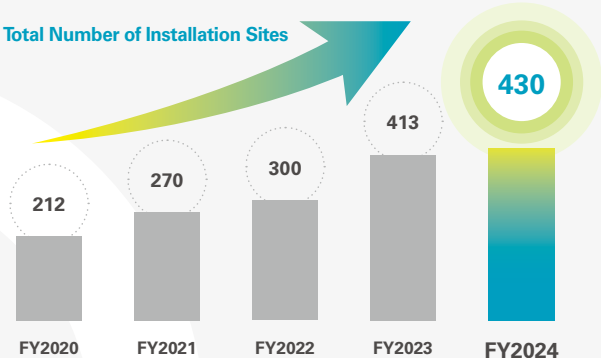
Environmental Policy

Compliance	T-Gaia rigorously adheres to environment-related laws and regulations, as well as agreements that we have accepted.
Reduction of GHG Emissions	T-Gaia will lower the burden on the environment by reducing the greenhouse gases emitted throughout the lifecycle of the products and services we sell. We will also reduce greenhouse gas emissions through Renewable Energy Business.
Recycling-Oriented Society	T-Gaia contributes to creating a recycling-oriented society by striving to minimize waste products in our business activities and reusing waste products and resources when possible.
PDCA	We set targets and goals related to reducing the burden on the environment and we regularly review these targets while continuously improving them.
Information Disclosure	T-Gaia broadly shares this Environmental Policy with employees and discloses it outside the Company as well.

Promoting Renewable Energy Business

Our consolidated subsidiary, TG Power Inc., engages in Renewable Energy Business using solar power generation systems, promoting their installation in factories, major restaurants, drugstores, and other stores. In FY2024, the company installed the largest-ever self-consumption type solar power generation system at a special high-voltage power receiving facility (automotive parts factory). The installation is expected to reduce both CO₂ emissions and electricity costs.

We will continue to support our customers in decarbonizing their businesses and achieving the SDGs by expanding our Renewable Energy Business.



Environmental Initiatives

Initiatives toward Climate Change



Response to TCFD Recommendations

We recognize climate change as a major societal issue with a profound impact on economies and societies. In December 2021, we announced our support for the TCFD recommendations and joined the TCFD Consortium, which promotes unified measures by participating companies and financial institutions.

We actively disclose information regarding our efforts to deal with climate change in accordance with the TCFD's recommendations.

Governance

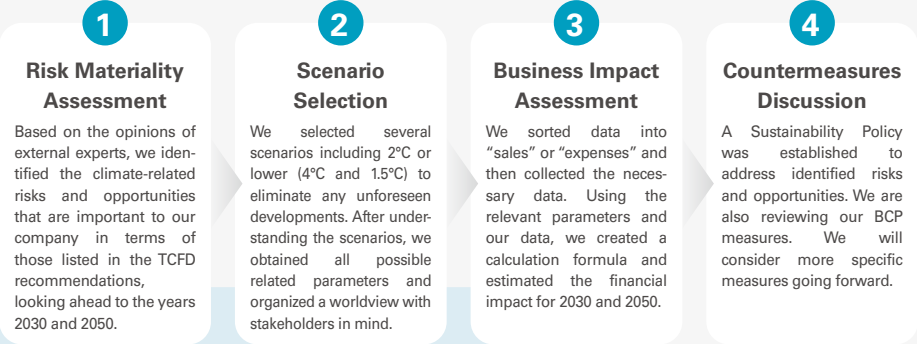
Our Group evaluates and manages environmental issues, including climate change, through our Group-wide Sustainability Committee. The Sustainability Committee is an advisory body to the Management Conference, and formulates and deliberates on matters such as policies, strategies, and measures to address issues related to climate change. The committee reports any discussions to the Management Conference and recommends important issues to be brought to the Board of Directors for discussion.

Strategies

Our Group has analyzed the impact of climate change risks and opportunities on our business strategies and financial plans in four steps based on the TCFD recommendations: risk materiality assessment, scenario selection (4°C and 1.5°C), business impact assessment, and countermeasure discussions.

Scenario Analysis

After we announced support for the TCFD in December 2021, we divided our analysis of the impact of climate change risks and opportunities on our business strategies and financial plans into four steps based on the TCFD recommendations.



Risk Materiality Assessment

The intensification of extreme weather events due to climate change is a risk factor that could cause significant business losses, such as disrupting our supply chain by damaging our own shops. At the same time, we recognize that the growing demand in the Renewable Energy Business could provide opportunities to generate significant financial benefits.

Major Risks

Type		Risk	Major Risks	Assessment
Transition	Policies/ Regulations	Carbon pricing (carbon tax)	•New regulations that significantly increase carbon taxation and emissions trading	Small
		Response to GHG emissions regulations	•Increase in price of fossil fuels and fossil fuel-derived electricity	Small
		Renewable energy / energy-saving policies	•Cost of renewable energy procurement and energy-saving measures	Small
	Market	Changes in energy costs	•Demand grows for low-cost fossil fuel-derived electricity but not for renewable energy electricity	Small
	Reputation	Changes in reputation with investors	•Impact on stock prices due to a lower valuation caused by a delay in responding to investor requests for environmental disclosures	Large
Physical	Acute	Intensification of extreme weather events	•Decline in sales due to damage or closure of sales offices, delay in product procurement due to supply chain disruptions •Damage to solar power generation facilities due to extreme weather events •Increase in fire insurance premiums	Medium
	Chronic	Rise in average temperatures	•Increase in cooling costs •Decrease in sales at sales offices due to reduced outings	Small

Major Opportunities

	Type	Opportunity	Major Opportunities	Assessment
Transition	Policies/ Regulations	Emissions trading	•Increase in revenue from the sale of emission credits earned from reductions due to solar power generation	Small
		Renewable energy policies	•Increase in sales from increased PPA installations due to an increase in demand for renewable energy electricity	Medium
		Energy-saving policies	•Reduction in operating costs through the use of subsidy programs	Small
	Technology	Adoption of renewable energy / energy-saving technologies	•Reduction in capital investment costs from the advancement of renewable energy technology and lower price of storage batteries	Small
		Advancement of low-carbon technologies	•Increase in sales from the introduction of high-efficiency solar cells	Small
	Reputation	Changes in reputation with investors	•Decrease in capital procurement costs through proactive response to investor requests	Large
Physical	Acute	Intensification of extreme weather events	•Increase in sales of remote work products •Increase in sales from increased demand for self-consumption solar power generation and uninterruptible power supply solutions as BCP measures	Small
	Chronic	Rise in average temperatures	•Increase in traveling sales due to the spread of off-site sales shops	Small

Assessment: Large (net income: 10% or more), Medium (net income: less than 10% to 1% or more), Small (net income: less than 1%)
Transition risks and opportunities: Impact from the revaluation of financial assets with significant GHG emissions as a result of the transition to a lower-carbon economy
Physical risks and opportunities: Direct impact such as property damage caused by weather events such as floods and storms as well as indirect impact such as disruptions in the global supply chain and resource depletion

Environmental Initiatives

See our website for details. ▶ <https://www.t-gaia.co.jp/corp/en/sustainability/environment/tcfd.html>

Business Impact Assessment

We used the 4°C scenario and 1.5°C scenario and evaluated their respective business impact based on a qualitative analysis of risks and opportunities related to climate change.

We will reflect the results of these analyses in our Environmental Policy, strive to reduce the burden on the environment generated through our business activities, and contribute to the realization of a sustainable society. We will conduct regular analyses going forward, review our assessments and reflect them in our Environmental Policy, and enhance both the quantity and quality of our disclosures.

Risk Management

We recognize TG Material Issue “Proactive approach to environmental issues and climate change,” as one of our Key Issues. The Risk Management Committee identifies, assesses, and manages various risks related to the Group’s business activities, including climate change. It also collaborates with the Sustainability Committee, which handles strategies and measures related to climate change response, to address issues related to climate change in the Group.

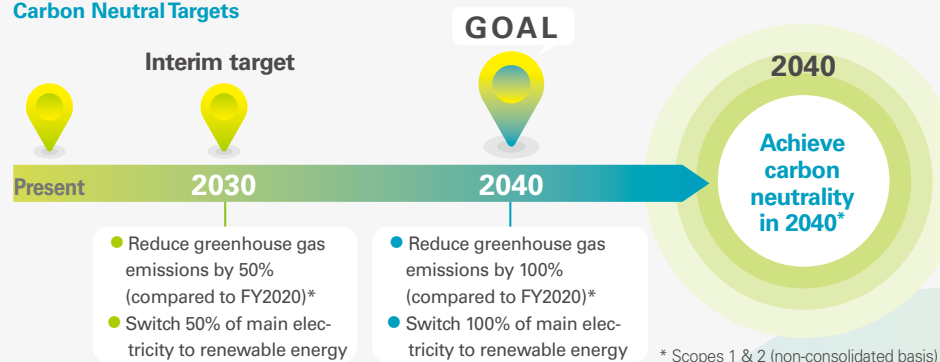
Metrics and Targets

We have set a target of achieving net zero emissions of greenhouse gases (Scopes 1 and 2) in our business activities by 2040 (Interim target for 2030: 50% reduction in comparison to FY2020 emissions).

To accomplish this, we aim to increase the percentage of renewable energy power used by our company to 50% by FY2031 and to 100% by FY2041.

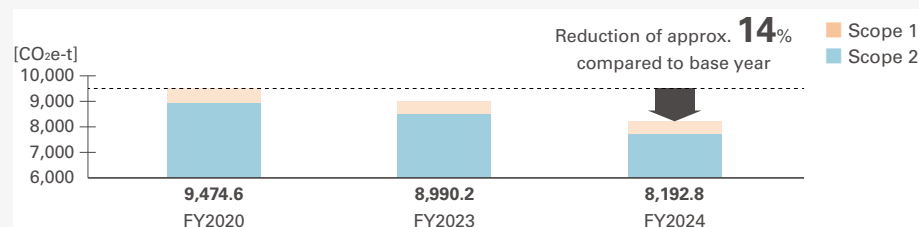
Our entire Group will continue to implement climate change measures with the goal of creating a sustainable society.

Carbon Neutral Targets



Greenhouse Gas Emissions

Scope 1+2 Emissions (Non-Consolidated)



<Greenhouse Gas Emissions>

Scope/Category		FY2020		FY2023		FY2024	
		Non-consolidated		Non-consolidated	Group	Non-consolidated	Group
Scope 1		577.7		501.4	538.7	501.8	556.4
Scope 2	Location-based	9,119.9		9,299.1	9,877.4	8,491.3	9,147.9
	Market-based	8,896.9		8,488.8	8,897.2	7,691.0	7,778.5
		747,810.9		697,612.9	703,140.0	651,129.1	658,111.4
Scope 3	Category 1	Purchased goods and services	691,997.7	653,910.4	657,971.5	607,856.1	613,827.0
	Category 2	Capital goods	6,857.2	11,650.1	11,738.2	13,739.3	13,758.1
	Category 3	Fuel and energy related activities not included in Scope 1 or 2	1,456.2	1,544.6	1,640.9	1,461.4	1,489.3
	Category 4	Transportation and delivery (upstream)	4,672.0	1,736.6	2,761.3	1,692.6	2,255.8
	Category 5	Waste generated in operations	560.9	530.1	554.5	554.0	634.9
	Category 6	Business travel	1,832.2	1,112.9	1,276.1	1,074.1	1,318.4
	Category 7	Employee commuting	3,228.9	2,592.0	2,661.0	2,323.9	2,400.1
	Category 8	Leased assets (upstream)	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope
	Category 9	Transportation and delivery (downstream)	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope
	Category 10	Processing of sold products	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope
	Category 11	Use of sold products	37,114.4	24,487.8	24,487.8	22,382.3	22,382.3
	Category 12	End-of-life treatment of sold products	91.4	48.5	48.5	45.4	45.4
	Category 13	Leased assets (downstream)	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope
	Category 14	Franchises	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope
	Category 15	Investments	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope	Outside calculation scope

Calculation scope: Non-consolidated, T-Gaia Group
(The T-Gaia Group consists of T-Gaia and its domestic subsidiaries)

Calculation method: In accordance with “General Guidelines on Supply Chain GHG Emission Accounting (Ver. 2.3)” (Released by the Ministry of the Environment and the Ministry of Economy, Trade and Industry in December 2017).

* Third-party verification has been obtained for greenhouse gas emissions (Scope 1 and 2) for FY2023. Verification is also planned for FY2024.

Corporate Governance

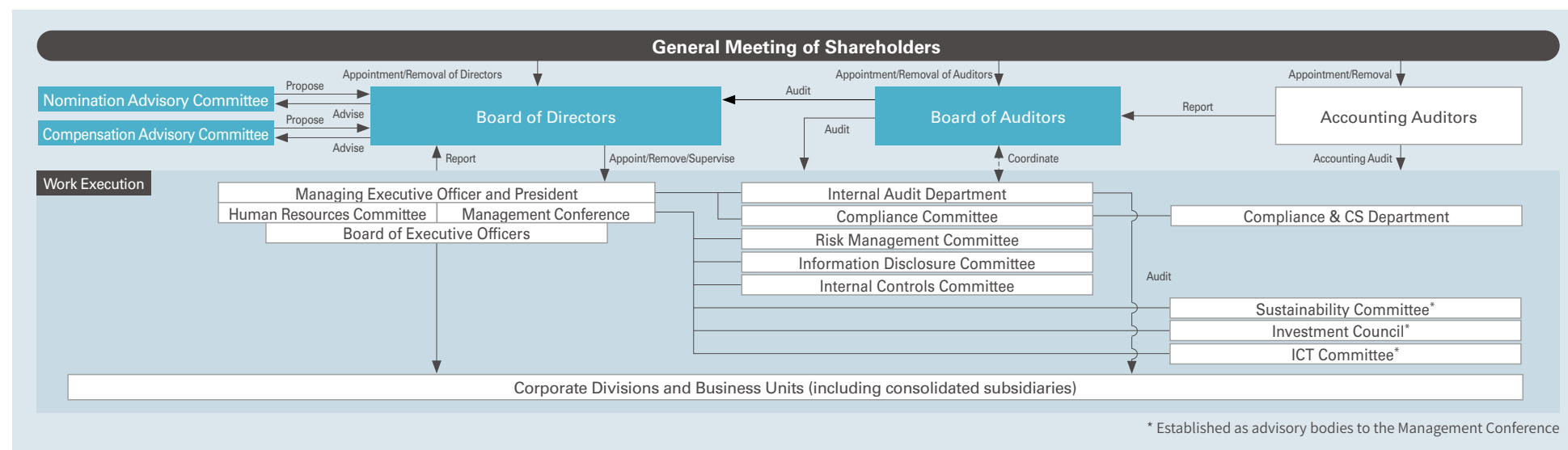
Basic Policies & Initiatives

T-Gaia sees corporate governance as a framework for managing corporate activities in order to build harmonious relationships with all stakeholders and respect their rights and interests.

With an awareness that our mission as a company is to build and maintain the better governance structure while executing business activities, we will create systems and increase our efficacy in terms of both Ensuring Management Transparency and Improving Corporate Value.

Corporate Governance System

Schematic Diagram of Corporate Governance



Body	Board of Directors	Nomination Advisory Committee	Compensation Advisory Committee	Board of Auditors
Composition	Chairperson: Masato Ishida (Internal Directors: 3, Outside Directors: 6)	Chairperson: Junichi Kamata (Internal Director: 1, Outside Directors: 6)	Chairperson: Junichi Kamata (Internal Director: 1, Outside Directors: 6)	Internal Corporate Auditor: 1, Outside Auditors: 3*
Objectives	Supervising whether tasks are being efficiently and appropriately executed by directors while making decisions on material matters	Submitting proposals to the Board of Directors on the appointment/removal of directors and executive officers at the level of senior managing officer or higher Transparency is ensured by having an outside director serve as chairperson	Making proposals to the Board of Directors on the remuneration amounts and the like of directors and executive officers	Coordinating with accounting auditors and exchanging views and information on audit plans, audit execution status, accounting audit results, and the like
Number of Meetings Held (FY2024)	15	3	2	13

* From the 33rd Ordinary General Meeting of Shareholders, there are only three outside auditors.

Corporate Governance

Board of Directors

In order to ensure the T-Gaia Group’s sustainable growth and development, while also improving medium- to long-term corporate value, the Board of Directors sets Our Goal for the Company’s ideal state and executes concrete management strategies. The Board decides upon important matters in order to achieve T-Gaia’s management plans, while also monitoring whether the execution of work duties by directors and executive officers on the senior managing officer level or higher is effective and appropriate. The Board, comprised of all Company directors and corporate auditors, has a number of members sufficient for fully carrying out discussions and engaging in swift and rational decision making. Following the Articles of Incorporation provisions on the number of members, the Board comprises no more than 12 directors and no more than 5 corporate auditors, with its directors (including independent outside directors) possessing knowledge and experience sought by the Company. Of the nine directors, six are outside directors (of which five are independent officers), ensuring transparency and objectivity in management. Given the imperative of active discussions, requisite material for reviewing proposals is distributed ahead of time to all directors and corporate auditors, except in emergency situations.

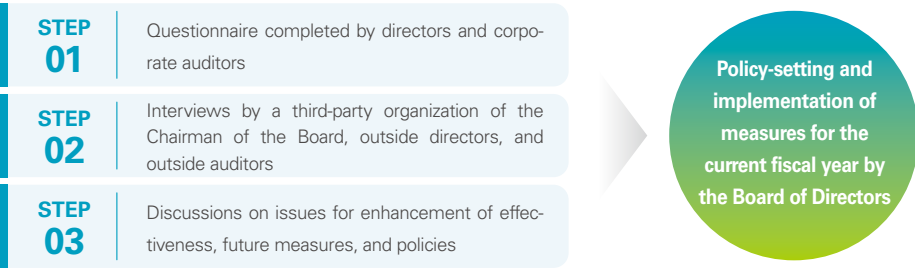
Criteria for Appointment of Directors

In order to enable swift and appropriate decision making with a view to the sustained growth and development of the Group as well as medium- and long-term enhancements of corporate value of the Group, qualified candidates for the Board of Directors shall be the following kinds of persons who thoroughly understand our corporate philosophy comprised of TG Vision (T-Gaia’s Corporate Vision, namely “T-Gaia will propose new ways of communication to provide our customers with excitement, delight, and safety”), TG Mission, and TG Action. In addition, taking into account the achievement of the Medium-Term Management Plan and management strategies, we have made a skills matrix to clarify the particular knowledge and experience expected of each director. In the past, new outside directors were selected through referrals from shareholders and other individuals connected to T-Gaia. This year, however, we changed the selection method to further enhance governance. In a fair, nine-month process led by the chairperson of the Nomination Advisory Committee, we rigorously screened dozens of director candidates, and several candidates who passed the screening were individually interviewed by the president and outside directors. Finally, new directors who can contribute to improved corporate value and speedy decision-making were selected.

Evaluation of Effectiveness of the Board of Directors

Since FY2017, surveys of the overall effectiveness of the Board of Directors have been carried out, including objective analysis by a third-party organization. Furthermore, by having Board members engage in discussions taking results of this survey and analysis into account, we implement overall self-evaluations of the Board of Directors and strive to improve the Board’s functions.

Effectiveness Evaluation Process



Evaluation Items (total of 34 questions)	
(1) Roles, functions, and operations of the Board of Directors	(4) Support structures for directors and corporate auditors
(2) Director skills, composition, and officer requirements	(5) Dialogue with investors
(3) Medium- to long-term management issues	(6) Remuneration Committee and Nomination Committee etc.

FY2024 Evaluation Results and FY2025 Response Policies

FY2024 Evaluation Results and FY2025 Initiatives

The Company’s Board of Directors received generally positive evaluations regarding the Board’s composition, operation of agendas, and the Board’s monitoring functions, and we determined that the effectiveness of the Board as a whole is ensured. On the other hand, opinions were shared that more time needs to be secured for discussing human resources strategies and DX strategies, in addition to management strategies, and that each advisory committee needs to operate more autonomously. Based on the evaluation results, we will continue the efforts described below to solve issues and work to enhance the effectiveness of the Board of Directors with the aim of increasing corporate value.

- In addition to agenda items requested in the evaluation of the Board of Directors, we will consider and select issues and themes for discussion at meetings of the Board of Directors throughout the year, and set aside time for more in-depth discussion at the monthly meetings of the Board of Directors.
- To allocate time for discussing important agenda items at meetings of the Board of Directors, we will regularly review the matters to be discussed, along with the criteria for selecting them, excluding important matters.
- To ensure the autonomous operation of each advisory committee, the chairperson, president, and person in charge of human resources will regularly share issues and select topics for discussion.

Corporate Governance

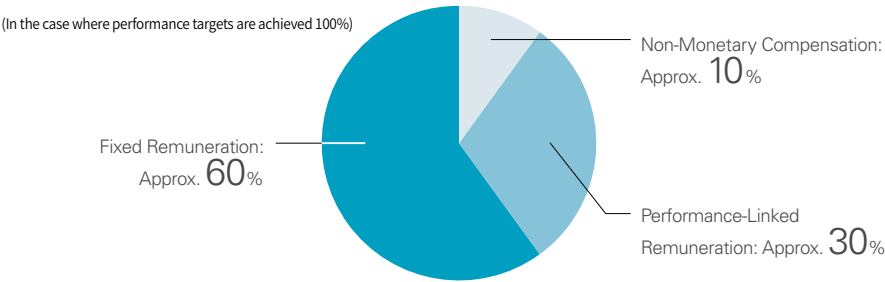
Officer Remuneration Scheme

Director remuneration is determined by the Board of Directors after receiving proposals from the Remuneration Advisory Committee, following amounts within a range approved by the General Meeting of Shareholders. Amounts of performance-linked remuneration are determined based on the Company's profit attributable to owners of parent, as well as each director's level of contribution to Company performance, etc. The target for the indicator relating to performance-linked remuneration in FY2023 was set at 10,002 million yen in profit attributable to owners of the parent, and the result was 7,938 million yen, and accordingly, remuneration was distributed while taking into account the degree of achievement. As a result, total director remuneration in FY2024 was 155 million yen. One of the conditions for the payment of restricted stock remuneration the level of achievement of the target for profit attributable to owners of parent, which is also an indicator for performance-linked remuneration. If this and other conditions are met, common shares of the Company are granted corresponding to the director remuneration subject to allocation.

Policy on the Determination of the Structure and Amounts of Remuneration for Directors and Other Officers

	Policy on the Determination of the Details of Remuneration for Individual Directors
Fixed Remuneration	A fixed amount based on the expected roles of the position.
Performance-Linked Remuneration	A short-term incentive for raising awareness regarding improving performance in a single fiscal year. Quantitative evaluations of group-wide consolidated net income attributable to shareholders of the parent and the net income of the division for which the director is responsible and qualitative evaluations of roles and contributions according to the individual position and companywide contributions are conducted. The amount of remuneration is determined according to the degree of achievement based on these comprehensive evaluations
Stock-Based Compensation	A long-term incentive for raising awareness regarding management from the shareholder's perspective. A certain number of shares are granted to each director based on the expected roles of each position (restricted stock remuneration).

Target Remuneration Composition (percentages)



Persons Eligible for Remuneration, etc.

Officer Category	Fixed Remuneration	Performance-Linked Remuneration	Non-Monetary Compensation
Director	○	○	○
Director Seconded from the Parent Company*	○	○	
Outside Director	○		

* Effective as of the conclusion of the 31st Ordinary General Meeting of Shareholders, held on June 22, 2022, Sumitomo Corporation changed from being the Company's Parent Company to Other Affiliated Company.

Board of Auditors

Of the Company's four corporate auditors, three are outside auditors (two of whom are independent auditors). They offer advice on general management from a fair and neutral standpoint by making use of their work history, experience, and specialized knowledge, and not solely on the appropriateness of audits. The Board of Auditors meets once per month in principle, and the four corporate auditors collaborate and carry out reporting. Additionally, corporate auditors sit in on important internal meetings, specifically Board of Directors meetings, and form a framework for monitoring the decisions on management policies and the execution of the duties of directors. Corporate auditors interact as needed with the Internal Audit Department and the accounting auditor and work to strengthen internal control frameworks through the exchange of opinions and information. In addition, from the 33rd Ordinary General Meeting of Shareholders, there are only three outside auditors, including two independent officers.

Criteria for the Appointment of Corporate Auditors

The Company selects corporate auditor candidates who have integrity of character, a high degree of insight, experience, management skills, business expertise, and management experience and who are deemed by the Company as being capable of contributing to the Group's sustainable growth and development and the enhancement of corporate value over the medium to long term, without regard to nationality, gender, or other such factors. Candidates for independent outside auditor in particular have high-level expertise and a wealth of experience in fields such as law, accounting, and corporate management.

Corporate Governance

Internal Control

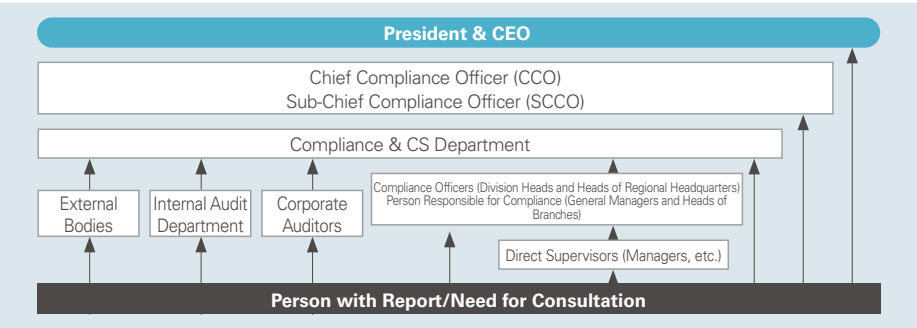
To achieve the following four objectives—"improve management effectiveness and efficiency," "ensure the reliability of financial reporting," "comply with laws and regulations," and "preserve assets"—the Internal Control Committee regularly checks whether companywide processes (internal controls) are functioning effectively.

Compliance

T-Gaia holds compliance as one of the highest priority issues for business execution. In addition to normal reporting lines, we have a Compliance Committee chaired by the Chief Compliance Officer (CCO) and comprised of compliance officers that include executive officers. This committee carries out discussions that contribute to activities for improving compliance. In addition, we established the Compliance & CS Department under the direct authority of the president as a permanent organization for promoting compliance, and we are working to establish and reinforce systems and maintain and raise awareness of compliance through internal educational activities and other means.

We have formulated Compliance Guidelines, distribute and provide education on our Compliance Manual, which communicates T-Gaia's compliance-related policies to all officers and employees. Moreover, in order to quickly grasp information on Company problems or risks, we have established multiple reporting and consultation paths as employee whistleblower hotlines, including external bodies and attorneys.

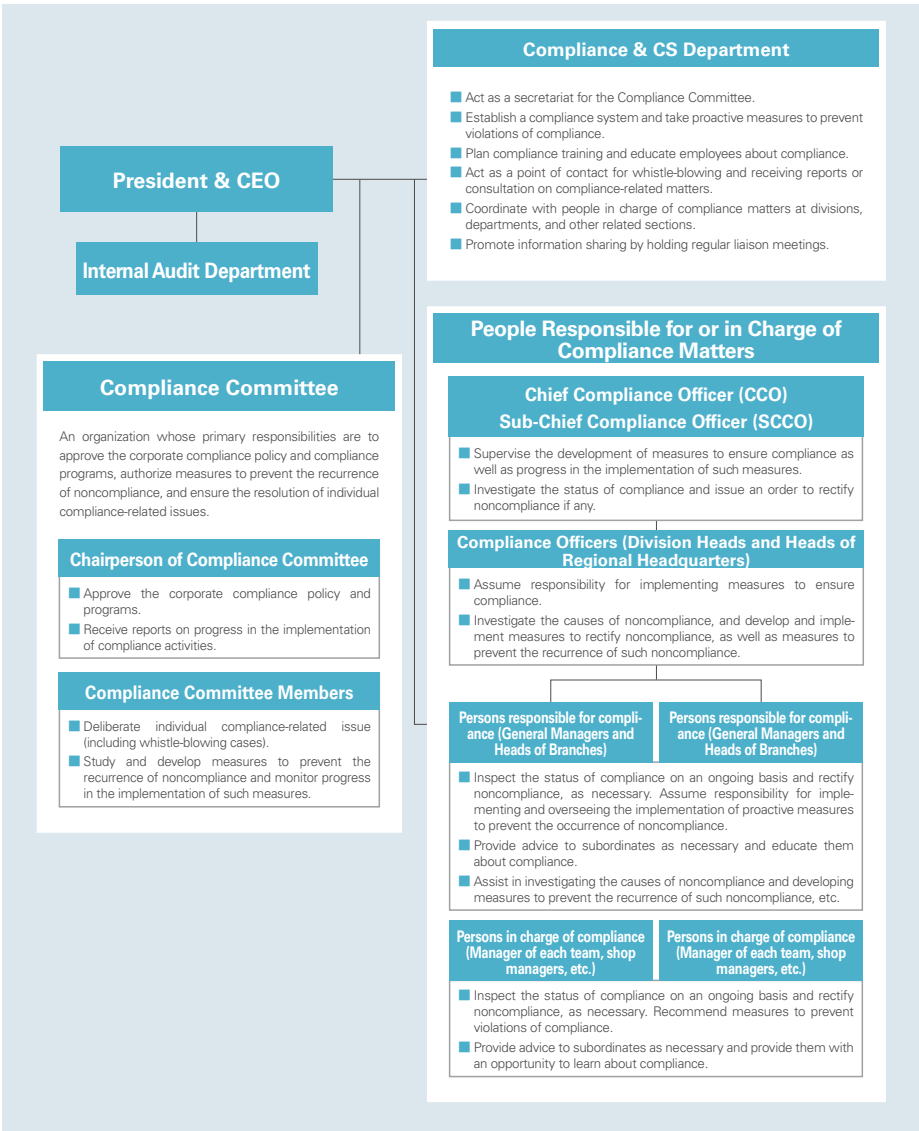
Reporting/Consulting Pathways



Other information relating to governance is posted on the Company Website.

Corporate Governance	https://www.t-gaia.co.jp/corp/en/sustainability/governance/
Compliance	https://www.t-gaia.co.jp/corp/en/sustainability/governance/compliance/
Risk Management	https://www.t-gaia.co.jp/corp/en/sustainability/governance/policy.html

Compliance Organization Chart



Corporate Governance

Initiatives for Human Rights

Policies and Promotion Structure Related to Respect for Human Rights

Since its founding, the T-Gaia Group has placed people at the center of management as human resources, while providing customers with excitement, delight, and safety through a diverse range of services. As a corporate group supported by human resources across all business activities, respect for human rights is the foundation of our operations and an essential element for the sustainable growth and development of both society and our company.

We have also established the T-Gaia Group Human Rights Policy, recognizing that respect for human rights is one of our important social responsibilities as a group. We will comply with this policy in all our business activities and contribute to the sustainable growth of society.

T-Gaia Group Human Rights Policy

- | | | |
|------------------------------------|-----------------------------|------------------------------|
| 1. Respect for International Norms | 4. Remedies and Corrections | 7. Dialogue and Consultation |
| 2. Scope of Application | 5. Promotion System | 8. Education and Training |
| 3. Human Rights Due Diligence | 6. Information Disclosure | 9. Compliance |
| | | 10. Priority Issues |

T-Gaia Group Human Rights Policy ▶ <https://www.t-gaia.co.jp/corp/en/sustainability/policy.html#anc3>

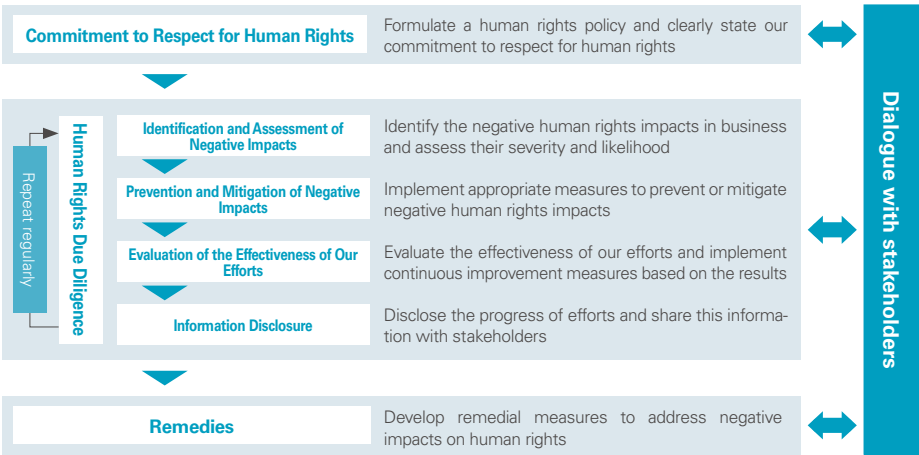
Governance

To date, we have evaluated and managed human rights issues through our Sustainability Committee. As an advisory body to the Management Conference, the committee formulates and discusses policies, strategies, and measures with the aim of improving the sustainability of the Group. The committee reports the results of its discussions to the Management Conference and submits important matters to the Board of Directors for discussion.

Respect for Human Rights ▶ <https://www.t-gaia.co.jp/corp/en/sustainability/social/humanrights.html>

Human Rights Due Diligence

The T-Gaia Group conducts human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights. This is a series of processes, including the identification and assessment of human rights risks, implementation of prevention and mitigation measures, monitoring, and information disclosure based on the T-Gaia Group Human Rights Policy. It is an ongoing effort that involves dialogue with stakeholders.



Prevention and Mitigation Measures for Human Rights Risks

The following is a summary of the human rights risks that may arise from the Group's business activities. We will continue our efforts to prevent and mitigate risks and will review them on an ongoing basis.

Human Rights Risks

- | | | |
|---------------------------------|---|---------------------------------------|
| ● Child labor | ● Working hours | ● Emergency and disaster preparedness |
| ● Forced labor | ● Freedom of association and the right to collective bargaining | ● Protection of personal information |
| ● Discrimination and harassment | ● Health and safety, and mental and physical health care | ● Rights of local residents |
| ● Wages | | |

List of Officers * As of June 30, 2024

Director



1983 Joined Sumitomo Corporation
2011 General Manager of Construction Equipment Division, Sumitomo Corporation
2015 Executive Officer, Assistant General Manager for Europe, Middle East, Africa & CIS (United Arab Emirates), concurrently General Manager of Middle East, Sumitomo Corporation, and concurrently President of Sumitomo Corporation Middle East FZ

2018 Managing Executive Officer, General Manager for Europe, Middle East, Africa & CIS (UK), Sumitomo Corporation, and concurrently Chairman of Sumitomo Corporation Europe Holding Limited
2020 Executive Vice President, CSO
2022 President and Representative Director, Chief Executive Officer, T-Gaia Corporation (current)
2023 Representative Director and Chairman, National Association of Mobile-phone Distributors (current)

No. of Company shares held 10,700 shares

Masato Ishida President and Representative Director Chief Executive Officer



Hiroyuki Sugai
Director
Executive Vice
President, CFO

1984 Joined Sumitomo Corporation
2009 Head of the Finance and Accounting Group, Sumitomo Corporation China Group (Shanghai)
2013 General Manager of the Accounting Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit, Sumitomo Corporation
2019 Executive Officer, Assistant CFO, Accounting; and concurrently General Manager, Accounting Controlling Dept., Sumitomo Corporation
2023 Director, Executive Vice President; CFO, in charge of corporate accounting, finance, sales accounting, settlements, and logistics, T-Gaia Corporation
2024 Director, Executive Vice President, and CFO, Head of Corporate Division, in charge of corporate accounting, finance, sales accounting, settlement management, logistics, and digital promotion, T-Gaia Corporation (current)

No. of Company shares held 4,100 shares



Katsuya Kashiki
Outside Director

1990 Joined Sumitomo Corporation
2005 Director, Market & Business Development, ZAO Prestige Internet (Russia)
2012 Director, ICT Business Division, Sumitomo Corporation (Central Eurasia) LLC (Russia)
2018 Manager of Smart Infrastructure Business Dept., Sumitomo Corporation
2020 General Manager of Smart Communications Platform Division, Sumitomo Corporation
2020 Director, T-Gaia Corporation
2022 Outside Director, T-Gaia Corporation (current)
2024 General Manager of Smart Communications Platform SBU, Sumitomo Corporation (current)

No. of Company shares held 0 shares



Toshio Morohoshi
Outside Director
(independent)

1976 Joined Fujitsu Limited
2005 Managing Executive Officer, Fujitsu Limited
2007 President & CEO of EMC Japan K.K. (now Dell Technologies Japan Inc.) and concurrently Vice President of EMC Corporation (now Dell Technologies Inc.) (US)
2012 President & CEO of NCR Japan, Ltd.
2015 President & CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation)
2018 Outside Director, Nippon Paint Holdings Co., Ltd. (current)
2018 Outside Director, WingArc1st Inc.
2020 Outside Director, T-Gaia Corporation (current)
2024 Outside Director, Payroll Inc. (current)

No. of Company shares held 0 shares



Hiroyoshi Ueji
Director
Executive Vice
President, CDO

1985 Joined Ito-Yokado Co., Ltd.
1996 Joined T-Gaia Corporation (formerly, Bussan Telecommunication Co., Ltd.)
2011 Deputy Head, Tokai Regional Headquarters, T-Gaia Corporation
2012 Executive Officer and Deputy Head of Business Promotion Division, T-Gaia Corporation
2015 Senior Executive Officer and Head of Mobile Marketing Division I, T-Gaia Corporation
2017 Managing Executive Officer and Head of Enterprise Solutions Business Division, T-Gaia Corporation
2021 Senior Managing Executive Officer and Head of Enterprise Solutions Business Division, T-Gaia Corporation
2023 Director, Executive Vice President, and CDO, Managing Head of Consumer Mobile Business and Enterprise Solutions Business, in charge of Consumer Business Promotion, T-Gaia Corporation
2024 Director, Executive Vice President, and CDO, Head of Consumer Business Unit and Head of Enterprise Business Unit, T-Gaia Corporation (current)

No. of Company shares held 12,119 shares



Junichi Kamata
Outside Director
(independent)

1978 Joined Hitachi Metals, Ltd. (currently Proterial, Ltd.)
2000 Vice President and CFO, Hitachi Metals America, Ltd. (US)
2005 General Manager of Human Resources & General Administration Dept., Hitachi Metals, Ltd.
2008 Managing Officer, General Manager of Corporate Management Planning Office of Hitachi Metals, Ltd.
2011 Managing Officer, President of Piping Components Company of Hitachi Metals, Ltd.
2014 Managing Officer of Hitachi Metals, Ltd.; President & CEO, Hitachi Metals America, Ltd. (US)
2015 Director, Hitachi Metals, Ltd.
2018 Outside Director, T-Gaia Corporation (current)

No. of Company shares held 3,400 shares



Yoshisada Takahashi
Outside Director
(independent)

1978 Joined Komatsu Ltd.
2006 Executive Officer and Awazu Plant Manager, Production Division, Komatsu Ltd.
2011 Senior Executive Officer (Jomul); Vice President, Production Division; and Osaka Plant Manager, Komatsu Ltd.
2013 Senior Executive Officer (Senmul); President, Production Division; and Supervising Environment, Komatsu Ltd.
2017 Executive Vice President; Chief Information & Innovation Officer; President, Information Strategy Division; Supervising Industrial Machinery Business, Komatsu Ltd.
2019 Outside Director, TRad Co., Ltd. (current)
2019 Consultant, Komatsu Ltd. (current)
2019 Consultant, Ishikawa Prefecture (current)
2022 Outside Director, T-Gaia Corporation (current)

No. of Company shares held 0 shares

List of Officers



Ryuichi Ishii
Outside Director
(independent)

1989 Joined Bridgestone Corporation
1995 Bridgestone Firestone Inc. (US)
2003 Sony Electronics Inc. (US)
2008 CEO, So-net Entertainment Taiwan Limited
2023 Outside Director, Arc System Works Co., Ltd. (current)
2023 Representative Director and President/Co-Founder, Quantum Leaps Growth Initiatives Corporation (current)
2023 Outside Director and Member of the Audit and Supervisory Committee, Net Protections Holdings, Inc. (current)
2023 External Director, BrainPad Inc. (current)
2024 Outside Director, T-Gaia Corporation (current)

No. of Company shares held 0 shares



Kumi Nakamura
Outside Director
(independent)

1993 Joined the Yasuda Fire and Marine Insurance Co., Ltd. (currently, Sampo Japan Insurance Inc.)
2002 Joined KPMG FAS Co., Ltd.
2005 Director of Private Equity Investment Group, Ant Capital Partners Co., Ltd.
2013 General Manager of New Business Development Office, LIXIL Group Corporation (currently, LIXIL Corporation)
2018 Executive Officer, Head of Finance and Corporate Administration, UNITED, Inc.
2020 Corporate Officer, General Manager of Business Strategy Department, Corporate Planning, Nippon Sheet Glass Co., Ltd.
2021 Corporate Officer and Chief Corporate Planning Officer (CCPO), Head of Corporate Planning, Nippon Sheet Glass Co., Ltd.
2021 Senior Corporate Officer and CCPO, Head of Corporate Planning, Head of Corporate Strategy, Nippon Sheet Glass Co., Ltd.
2023 Executive Officer and Chief Corporate Development Officer, Head of Corporate Business Development, Nippon Sheet Glass Co., Ltd.
2024 Outside Director (Audit and Supervisory Committee Member), Via Mechanics, Ltd. (current)
2024 Outside Director, T-Gaia Corporation (current)

No. of Company shares held 0 shares

Corporate Auditors



Nobuo Oyama
Corporate Auditor
(outside)

1985 Joined Sumitomo Corporation
1996 Sumitomo Corporation (Hong Kong) Limited
2005 Sumitomo Corporation (Shanghai) Limited, Huadong Corporate Group, Sumitomo Corporation China Group
2012 General Manager of Investor Relations Dept., Corporate Coordination Group, Sumitomo Corporation
2015 General Manager of Accounting Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit, Sumitomo Corporation
2020 President and Chief Executive Officer, Sumitomo Shoji Financial Management Co., Ltd.
2022 Corporate Auditor, T-Gaia Corporation (current)

No. of Company shares held 0 shares



Toshiro Kaba
Outside Auditor

2003 Representative Attorney, Shiroyama Tower Law Office (current)
2006 Outside Auditor, GungHo Online Entertainment, Inc. (current)
2013 Outside Auditor, T-Gaia Corporation (current)
2014 Director, Toin Gakuen
2015 Outside Auditor, Piala, Inc. (current)
2015 Director, Tokyo-toei Kotsu Kyoryoku-kai (current)
2019 Outside Director (Audit and Supervisory Committee Member), CAVE Interactive CO., LTD.
2021 Director, Toin Legal Research Support Center (current)
2021 Visiting Professor, Graduate School of Laws, Toin University of Yokohama (current)

No. of Company shares held 5,000 shares



Tetsuo Kitagawa
Outside Auditor

1985 Joined Aoyama Audit Corporation
1989 Received CPA license
2002 Representative employee, Chuo-Aoyama Audit Corporation
2006 Representative employee, Aarata Audit Corporation (now PricewaterhouseCoopers Japan LLC)
2014 Vice Chair, Ethics Committee, Japanese Institute of Certified Public Accountants
2017 Outside Auditor, T-Gaia Corporation (current)
2019 Outside Director, Daio Paper Corporation
2022 External Audit and Supervisory Board Member, PHC Holdings Corporation (current)

No. of Company shares held 0 shares

Director Skills Matrix

Name	Independent	Knowledge & Experience Expected by the Company					
		Corporate Management / Business Strategy	Investments/M&A	ICT / Digital	Finance & Accounting / Finance	Legal Affairs, Personnel / Compliance	Global Experience / Internationality
Masato Ishida		●	●				●
Hiroyuki Sugai		●			●		●
Hiroyoshi Ueji		●	●	●			
Katsuya Kashiki (Outside)		●	●	●			●
Junichi Kamata (Outside)	○	●	●			●	●
Toshio Morohoshi (Outside)	○	●	●	●			●
Yoshisada Takahashi (Outside)	○	●	●	●			●
Ryuichi Ishii (Outside)	○	●	●	●			●
Kumi Nakamura (Outside)	○	●	●		●		●

* The table above does not show all of the skills and experience of each director. Data was compiled on each director's four greatest areas of knowledge and experience.

Messages from New Outside Directors



Contributing Through Both Governance and Growth Strategies

Ryuichi Ishii Outside Director

Although this may sound textbook-like, I understand that the primary role of outside directors in normal times is to enhance corporate value and protect the interests of ordinary shareholders as their representatives. Since I am in a position not bound by internal constraints within the company, I strive to engage in management from the position of ordinary shareholders, without speculating on others' intentions.

From my experience, what is particularly important is how one can behave during an emergency, such as corporate scandals that could damage corporate value. In times of emergency, people in the company may easily become unsettled due to anxiety and confusion. I believe it is our important role to address the situation to minimize damage by calming things down, supporting the president and the management team, and, if necessary, clarifying accountability to resolve the issue.

I believe it would be rewarding and interesting for me as well to contribute not only to governance but also to T-Gaia's growth strategies.

Due to the nature of my work, I have a network with small- and medium-sized companies and startups. I would like to connect these high-potential companies with T-Gaia, which has strong sales and marketing capabilities, to create a framework where all parties can grow together.

I believe that a company's growth is the sum of its employees' growth. It would be great if society recognized T-Gaia as a company that develops and produces human resources. The phrase "produces human resources" could create a negative connotation if interpreted as "retirement." However, I believe that a company that produces many human resources capable of playing an active role both inside and outside the organization is strong.

Contributing to a More Energized Board of Directors and Growth in the Offensive Areas

Kumi Nakamura Outside Director

I believe that one of the important roles of outside directors is to monitor and advise on whether business execution conforms to current management policies, strategies, and plans, and whether risk-taking is appropriate, taking into account the perspectives of shareholders and other stakeholders. In addition, in a management environment where the business environment is changing and the evolution of business structures and resource allocation is necessary, it is also an important role of outside directors to discuss future strategies and plans with the senior management team, determine future directions, and support the creation of medium- to long-term corporate value.

By raising "Good Questions" that challenge "common sense" within the company—something made possible by my position as an outside director—and by exchanging a range of views, I also aim to contribute to a more energized Board of Directors to ensure that the best conclusions are drawn.

In implementing growth strategies under the new Medium-Term Management Plan, activities such as optimizing the business portfolio and collaborating and co-creating with other companies are becoming increasingly important. By leveraging my experience in areas such as corporate finance, business structure reform, and mergers and acquisitions, I would like to contribute to T-Gaia's growth as well.

Amid the accelerated changes in the external environment, such as digitalization and a shrinking workforce, I want T-Gaia to grow into a corporate group that provides the infrastructure to resolve customer issues and is accessible and easy to use for everyone, without stress. To this end as well, I believe that implementing human resources strategies that respect individuals and enhance their capabilities, along with fostering a corporate culture that upholds these values, is also among the most important challenges for T-Gaia.



Appendix



CONTENTS

🔗 P.63 Financial Highlights (Consolidated)

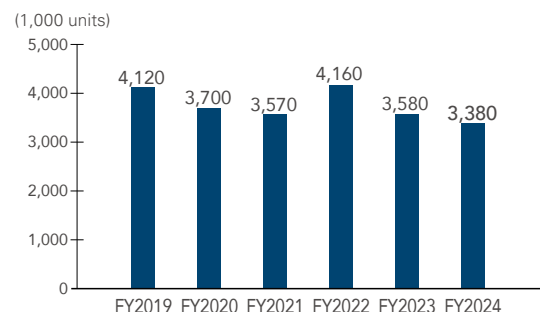
🔗 P.64 Non-Financial Highlights (Non-Consolidated)

🔗 P.65 11-year Summary of Financial and Non-Financial Data

🔗 P.67 Company Profile, Stock Information, and List of Shops

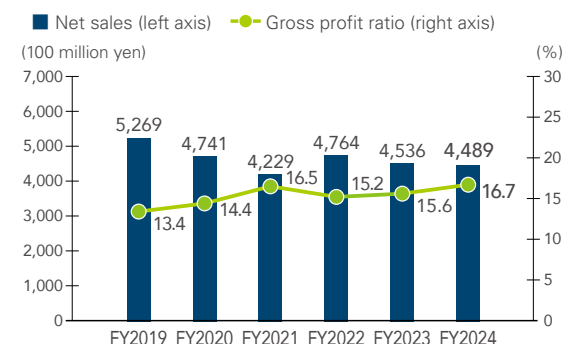
Financial Highlights (Consolidated)

Number of Contracts (mobile phones, etc.)



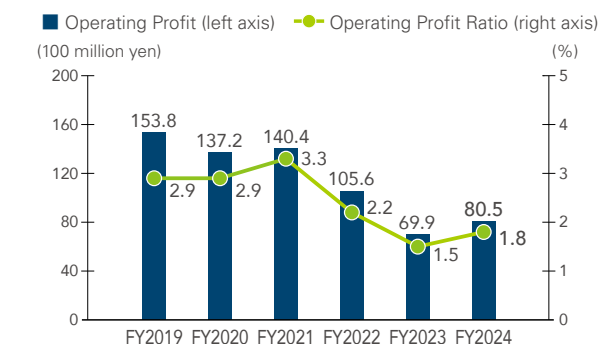
In FY2024, the number of contracts (mobile phones, etc.) fell to 3,380 thousand (down 5.8% YoY) due to longer phone replacement cycles caused by soaring prices for handsets and overall rising prices. A partial revision of the Regulations for Enforcement of the Telecommunications Business Act, including a new mobile phone handset discount cap regulation, also went into effect in December 2023. While the market is expected to stabilize as a result, there is also the possibility of a temporary reduction in the number of contracts due to restrained purchasing.

Net Sales / Gross Profit Ratio



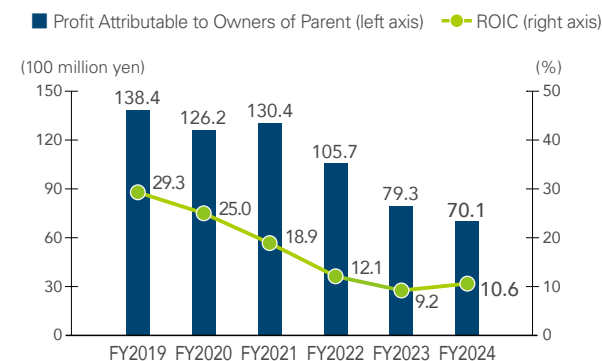
Net sales for FY2024 fell slightly to 448,954 million yen (down 1.0% YoY). This was due to rising prices of mobile phones and other handsets despite the decline in the number of contracts (down 5.8% YoY). With competition for new contracts in the mobile phone sales market easing, along with efforts to restrain discounting and sell original products, the gross profit ratio improved to 16.7% (up 1.1% YoY).

Operating Profit / Operating Profit Ratio



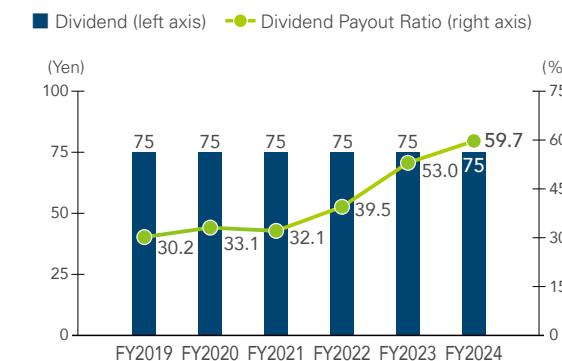
Operating profit for FY2024 was 8,051 million yen, an increase from the previous fiscal year (up 15.1% YoY). In addition to the improvement in the gross profit ratio, primarily in the Consumer Mobile Business (Consumer Business from April 2024), the operating profit ratio also improved due to efforts from the previous fiscal year to increase store operation efficiency and consolidate carrier shops.

Profit Attributable to Owners of Parent / ROIC



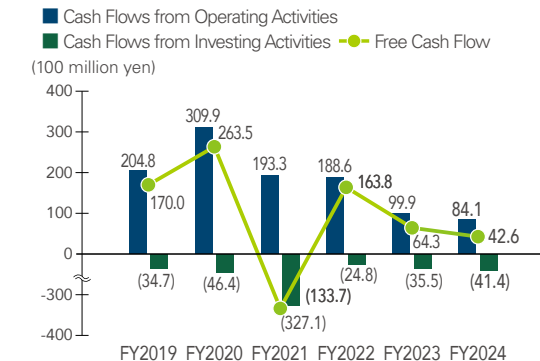
Profit attributable to owners of the parent for FY2024 was 7,013 million yen (down 11.7% YoY), due to impairment losses recorded for our subsidiary Relay2, Inc. (stock transfer was completed in April 2024), among other factors. ROIC recovered to above 10%, thanks to a reduction in interest-bearing debt and a recovery in operating profit. With these two indicators defined as management KPIs, we are targeting a profit attributable to owners of the parent of 10,000 million yen or more and an ROIC of 10% or more during the term of our Medium-Term Management Plan (FY2025 to FY2027).

Dividend per Share and Payout Ratio



Our basic policy is to provide stable and continuous profit returns to our shareholders over the long term with a target consolidated dividend payout ratio of 40% or higher while securing the internal reserves necessary for future business expansion and the reinforcement of its business foundations. We maintained a dividend per share of 75 yen in FY2024 as well. We aim to increase dividends through increased profits, with a target dividend payout ratio of 40% during the Medium-Term Management Plan.

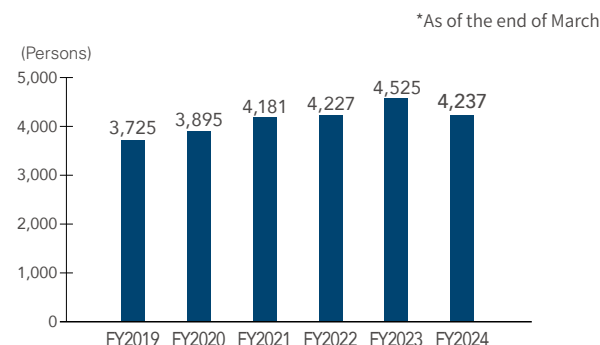
Cash Flows



FY2024 cash flows from operating activities were 8,411 million yen; cash flows from investing activities were -4,143 million yen; and free cash flow decreased slightly from the previous fiscal year to 4,268 million yen. The main factors behind this included a reduction in card deposits, due to a decrease in the amounts issued for QUO CARD and QUO CARD Pay.

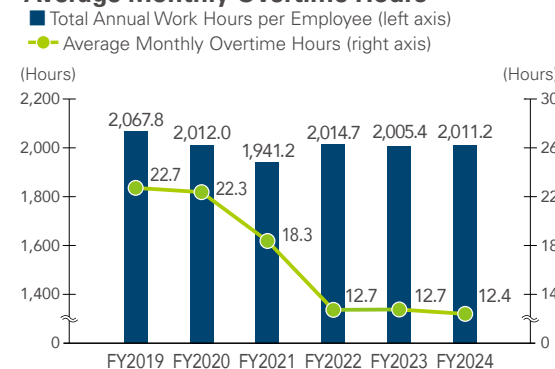
Non-Financial Highlights (Non-Consolidated)

No. of Employees



T-Gaia has long taken measures to transition personnel into regular employees, particularly among shop staff, and we strive to secure human resources who are able to provide a variety of services. In FY2024, as we consolidated carrier shops, we reallocated staff from closed stores and maintained an appropriate workforce by adjusting the hiring of new sales staff to fill vacancies caused by natural attrition.

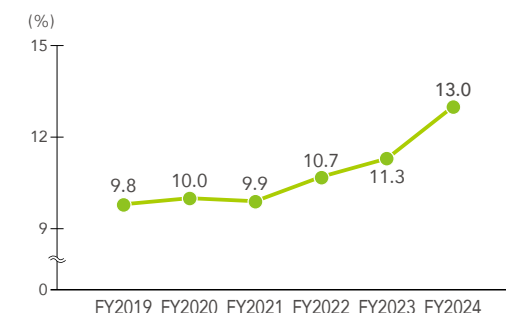
Total Annual Work Hours per Employee / Average Monthly Overtime Hours



T-Gaia has undertaken a variety of initiatives including the adoption of work innovations and introduction of programs such as flextime without core time and a remote office work system with the aims of enhancing employees' work/life balance, maintaining and enhancing physical and mental health, improving employee satisfaction (ES), and raising productivity.

Employment Rate of Management Positions Filled by Women

* As of the initial manager promotion month of the following fiscal year

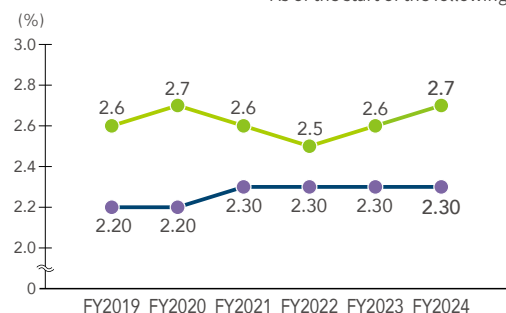


To create organizations where employees can develop their careers and play active roles, T-Gaia is focusing its efforts on creating environments where women, who account for approximately 60% of sales staff, can fully demonstrate their capabilities, and on human resource development and empowerment. We raised our target for the percentage of managers who are women to 15% by FY2026 with the expectation that more women will play central roles in management.

Employment Rate of Persons with Disabilities

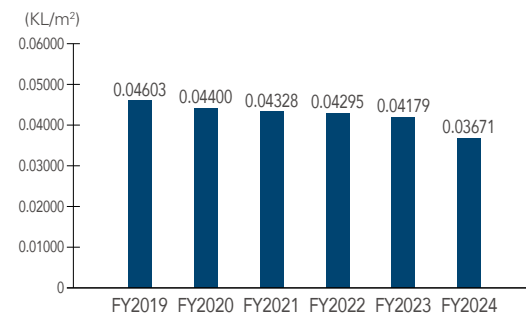
● Employment rate of persons with disabilities (T-Gaia)
● Statutory Employment Rate

* As of the start of the following fiscal year



We are undertaking active measures to create workplace environments where employees with various disabilities can work for long periods, fully demonstrating their capabilities and aptitudes. We have more than 100 employees in a variety of positions including physical therapists in employee massage rooms as well as sales and administration staff at offices nationwide and carrier shop staff.

Energy Use per Basic Unit

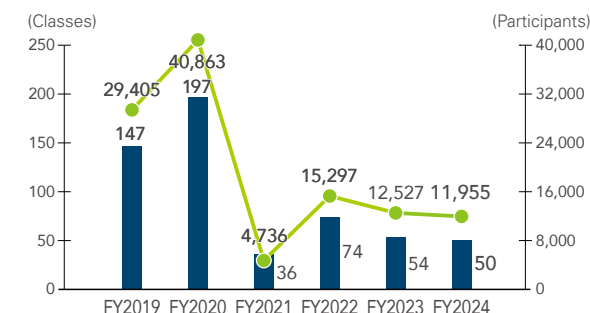


T-Gaia is properly meeting the target of reducing energy use per basic unit by an average of at least 1% over five years as required by the Act on Rationalizing Energy Use.

* Calculations from FY2024 are based on the revised Act on Rationalizing Energy Use

e-Net Caravan Class Result

■ No. of Times Class Held (left axis) ● No. of Class Participants (right axis)



T-Gaia actively participates in an educational program called e-Net Caravan for teaching children how to use the Internet and smartphones safely and securely. Certified e-Net Caravan instructors, primarily carrier shop staff, hold courses in regions throughout Japan.

11-year Summary of Financial and Non-Financial Data

(T-Gaia Corporation and consolidated subsidiaries)

Financial Data

(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Management Performance (million yen)											
Net sales	707,004	642,095	620,074	551,592	552,771	526,929	474,150	422,973	476,464	453,604	448,954
Operating profit	12,760	14,306	15,666	14,271	14,457	15,382	13,726	14,042	10,567	6,994	8,051
Ordinary profit	12,665	14,194	15,621	14,284	15,335	20,593	19,194	19,793	15,381	11,637	12,390
Profit attributable to owners of parent	6,835	7,748	9,498	9,694	10,161	13,842	12,628	13,042	10,579	7,938	7,013
Depreciation	1,305	1,371	1,392	1,454	1,554	1,760	1,813	1,805	1,824	2,147	2,312
Cash flows from operating activities	19,834	21,896	14,628	17,988	12,470	20,483	30,998	19,338	18,864	9,996	8,411
Cash flows from investing activities	(2,223)	(2,610)	(1,882)	(2,126)	19,168	(3,479)	(4,642)	(32,711)	(2,484)	(3,558)	(4,143)
Cash flows from financing activities	(16,150)	(20,738)	(11,505)	(17,252)	(16,696)	(8,296)	(8,868)	17,849	(7,931)	(17,165)	(7,826)
Free cash flows	17,611	19,286	12,746	15,862	31,638	17,004	26,356	(13,373)	16,380	6,438	4,268
Financial Performance (million yen)											
Total assets	199,631	90,080	85,930	75,282	159,923	178,994	181,378	233,826	241,277	246,068	248,260
Net assets	23,713	29,286	36,018	29,389	36,473	46,745	55,102	64,026	70,483	74,887	77,404
Interest-bearing debt	50,934	32,551	23,877	23,079	9,377	4,616	17	22,137	18,383	5,710	2,239
Shareholders' equity	23,594	29,104	35,817	29,364	36,445	46,730	55,076	63,998	70,448	74,385	77,334
Per-Share Data (yen)											
Net profit	86.74	112.68	138.11	172.62	182.34	248.40	226.59	234.01	189.74	142.31	125.66
Net assets	343.41	423.19	520.80	526.92	653.98	838.54	998.23	1,148.26	1,263.30	1,333.28	1,385.42
Dividends	35.00	37.50	43.00	52.00	55.00	75.00	75.00	75.00	75.00	75.00	75.00
Key Indicators (%)											
Operating profit ratio	1.8	2.2	2.5	2.6	2.6	2.9	2.9	3.3	2.2	1.5	1.8
Return on Equity (ROE)	26.4	29.4	29.3	29.7	30.9	33.3	24.8	21.9	15.7	11.0	9.2
Return on Invested Capital (ROIC)	10.0	13.5	17.3	17.7	21.6	29.3	25.0	18.9	12.1	9.2	10.6
Return on Assets (ROA)	6.3	14.6	17.8	17.7	13.0	12.2	10.7	9.5	6.5	4.8	5.0
Dividend payout ratio	40.3	33.3	31.1	30.1	30.2	30.2	33.1	32.1	39.5	53.0	59.7
Equity ratio	11.8	32.3	41.7	39.0	22.8	26.1	30.4	27.4	29.2	30.2	31.2

Non-Financial Data

(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Social											
Number of employees (consolidated, fiscal year-end)	1,569	1,698	1,799	1,961	3,570	3,884	4,090	5,088	5,056	4,955	4,971
Number of employees (non-consolidated, fiscal year-end)	1,480	1,608	1,683	1,849	3,393	3,725	3,895	4,181	4,227	4,525	4,237
Average monthly overtime hours (non-consolidated)	24.9	25.4	25.0	25.5	22.9	22.7	22.3	18.3	12.7	12.7	12.4
Employment rate of management positions filled by women (%) (non-consolidated, as of the initial manager promotion month of the following fiscal year)	7.0	7.6	9.2	10.4	10.1	9.8	10.0	9.9	10.7	11.3	13.0
Employment rate of persons with disabilities (%) (non-consolidated, as of the start of the following fiscal year)	2.1	2.4	2.4	2.3	2.5	2.6	2.7	2.6	2.5	2.6	2.7
Environment											
Scope 1 CO ₂ emissions (t-CO ₂) (non-consolidated)	—	—	—	—	—	—	577.7	441.7	507.1	501.4	501.8
Scope 2 CO ₂ emissions (t-CO ₂) (non-consolidated)(Scope 2 [Location-based])	—	—	—	—	—	—	9,119.9	9,275.0	9,040.1	9,299.1	8,491.3
Scope 2 CO ₂ emissions (t-CO ₂) (non-consolidated)(Scope 2 [Market-based])	—	—	—	—	—	—	8,896.9	8,899.4	8,713.1	8,488.8	7,691.0
Scope 3 CO ₂ emissions (t-CO ₂) (non-consolidated)	—	—	—	—	—	—	747,810.9	651,089.0	612,289.2	697,612.9	651,129.1
Energy Use per Basic Unit (kL/m ²) (non-consolidated)	0.05916	0.05529	0.05129	0.05110	0.04808	0.04603	0.04400	0.04328	0.04295	0.04179	0.03671

* Return on Equity (ROE) = profit attributable to owners of parent ÷ shareholders' equity x 100

* Return on Assets (ROA) = ordinary profit ÷ total assets x 100

* T-Gaia has used offsetting when presenting data on financial assets and financial liabilities since FY2015.

* The Accounting Standard for Revenue Recognition and other standards have been applied since the beginning of FY2022, and the figures and targets in the financial information for FY2021 are those that would have been obtained by applying those standards retroactively.

Company Profile, Stock Information, and List of Shops

Company Profile

Company Profile	
Company Name	T-Gaia Corporation Listed on the Prime Market of the Tokyo Stock Exchange (securities code: 3738)
Location	Head office: Ebisu Neonato 14-18F, 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-8575 Japan
Date of Establishment	February 1992
Share Capital	3,154 million yen
Business Summary	(1) Mobile phone and other communication services contract brokerage, and mobile phone distribution Sales and wholesale of smartphone accessories and other retail business (2) Contract brokerage and provision of mobile phones and other communication services for corporate clients, as well as various other services Support for the adoption of devices and services, operation, maintenance, and collection (3) Provision of payment services, healthcare, and support in solving regional issues Issuance and settlement of QUO CARD and QUO CARD Pay
Countries of Sales	Japan (nationwide), Singapore
Number of Employees	5,384 (consolidated)
Main Financing Banks	Mizuho Bank, Ltd., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited (* In the order of bank code)

Stock Information

Stock Information	
Day of Settlement of Accounts	March 31
Ordinary General Meeting of Shareholders	June
Authorized No. of Shares	400,000,000
Total No. of Shares Issued	56,074,000
No. of Shareholders	39,384
Stock Exchange Listing	Prime Market of the Tokyo Stock Exchange
Share Units	100
Accounting Auditor	Deloitte Touche Tohmatsu LLC

Major Shareholders (10 Largest Shareholders)	No. of Shares Held	Shareholding Ratio (%)
Sumitomo Corporation	23,345,400	41.82%
UH Partners 2, Inc.	5,516,500	9.89%
HikariTsushin K.K.	4,730,800	8.48%
UH Partners 3, Inc.	4,184,500	7.50%
The Master Trust Bank of Japan, Ltd. (Trust account)	2,836,800	5.08%
SIL, Inc.	1,683,900	3.02%
T-Gaia Employee Shareholding Association	998,900	1.79%
Custody Bank of Japan, Ltd. (Trust account)	985,300	1.77%
MSIP CLIENT SECURITIES	414,600	0.74%
THE BANK OF NEWYORK MELLON 140040	330,315	0.59%

Note: The shareholding ratio is rounded to the second decimal place and is calculated by excluding 282,309 shares of treasury shares.

List of Shops

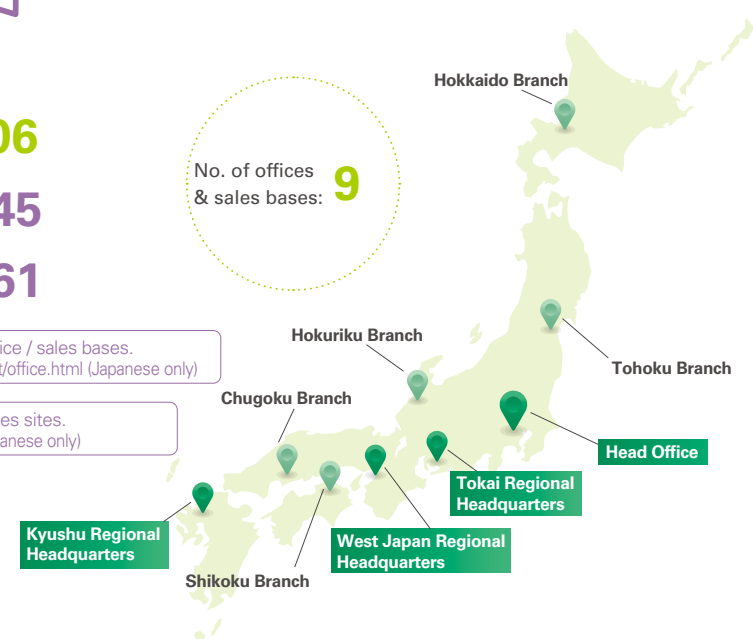
No. of carrier shops: **1,006**

No. of directly managed carrier shops: **345**

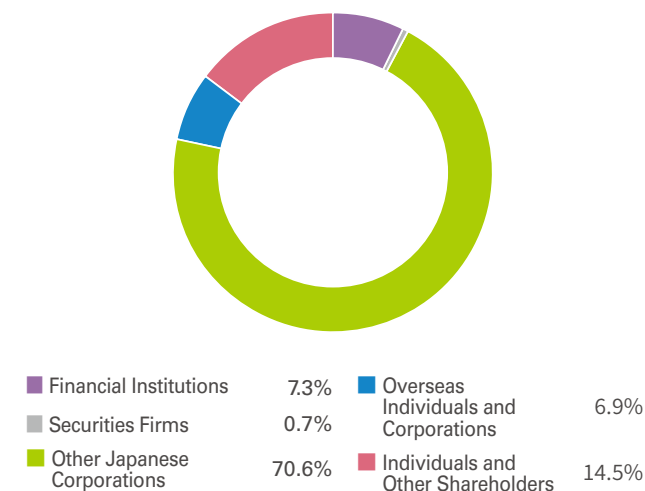
No. of agents' carrier shops: **661**

See our website for details on office / sales bases.
▶ <https://www.t-gaia.co.jp/corp/about/office.html> (Japanese only)

See our website for details on sales sites.
▶ <https://www.t-gaia.co.jp/shop/> (Japanese only)



Distribution of Shares by Shareholder



Note: The shareholding ratio is rounded to the first decimal place.

Outside Evaluations

Various organizations have recognized and praised our activities.



Platinum Kurumin Plus

In recognition of our higher level of efforts, we received Platinum Kurumin Plus certification as an outstanding “childcare supporting company” and “company that strives to balance fertility treatment with work” under the Act on Advancement of Measures to Support Raising Next-Generation Children from the Minister of Health, Labour and Welfare in FY2024.



Eruboshi

Our initiatives to encourage active participation by women pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace were highly evaluated, and in FY2018, we received a three-star rating, the highest level of certification, from the Minister of Health, Labour and Welfare under the Eruboshi Program.



PRIDE Index 2023

We have been selected as a Gold prize winner (the highest level) under the PRIDE Index 2023, a program established by the work with Pride organization that evaluates initiatives related to LGBTQ and other sexual minority issues, for three consecutive years since FY2022.



D&I Award 2023

Our initiatives concerning D&I were recognized, and since FY2022 we have received the D&I Award for Best Workplace for Diversity & Inclusion (the highest level) for three consecutive years.



Health & Productivity Management Outstanding Organization 2024

We have been selected for six consecutive years since FY2020 as a Health & Productivity Management Outstanding Organization under a program conducted by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi in recognition of our efforts to maintain and improve the physical and mental well-being of employees.



Sports Yell Company 2024

We have been certified for five consecutive years since FY2021 as a Sports Yell Company by the Japan Sports Agency in recognition of T-Gaia's active encouragement of sports activities to promote employee health.



Tokyo Sports Promotion Company

We have been certified for five consecutive years since 2019 as a Tokyo Sports Promotion Company in recognition of our efforts to promote and support sports activities to improve employee mental and physical health.



EcoVadis Sustainability Evaluation

We underwent assessment by EcoVadis, an international organization that conducts evaluations of corporation sustainability performance, and received a Bronze rating, which places us in the top 50% of evaluated companies.



CDP Climate Change Report 2023

We submitted responses to the CDP, an international non-governmental organization that evaluates measures to address climate change, and received B management level certification.

T-Gaia Corporation

Head office: Ebisu Neonato 14-18F, 4-1-18 Ebisu, Shibuya-ku, Tokyo
150-8575 Japan

URL: <https://www.t-gaia.co.jp/english/ir/index.html>

