



Tri▶Stage

株式会社トリスステージ

FY2/09 Interim Results Presentation

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Contents

1. Company Overview, Features and Strengths
2. FY2/09 1H Results
3. FY2/09 Forecasts and Strategies
4. Reference Material



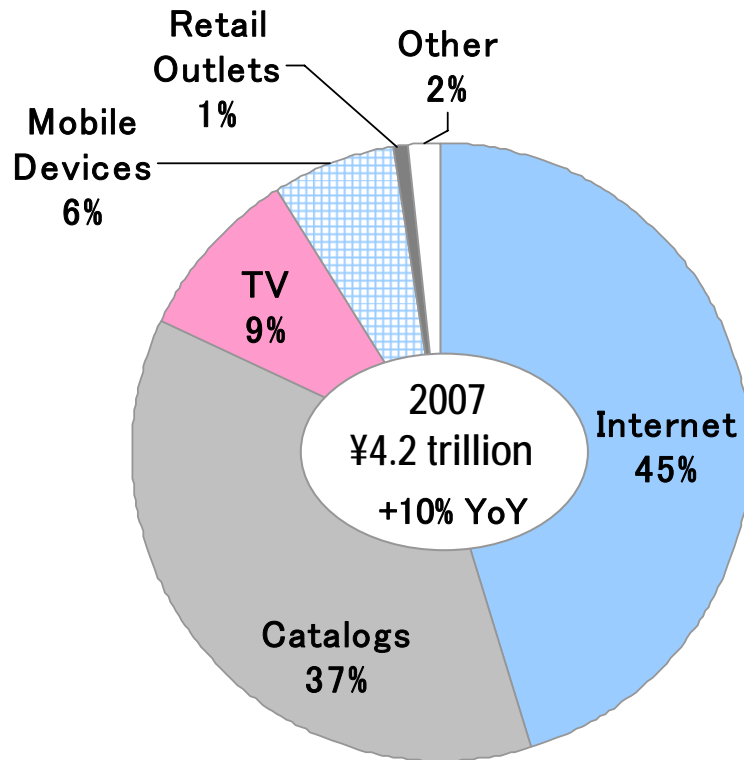
1. **Company Overview, Features and Strengths**
2. FY2/09 1H Results
3. FY2/09 Forecasts and Strategies
4. Reference Material



Direct Marketing - ¥4.2tr Market

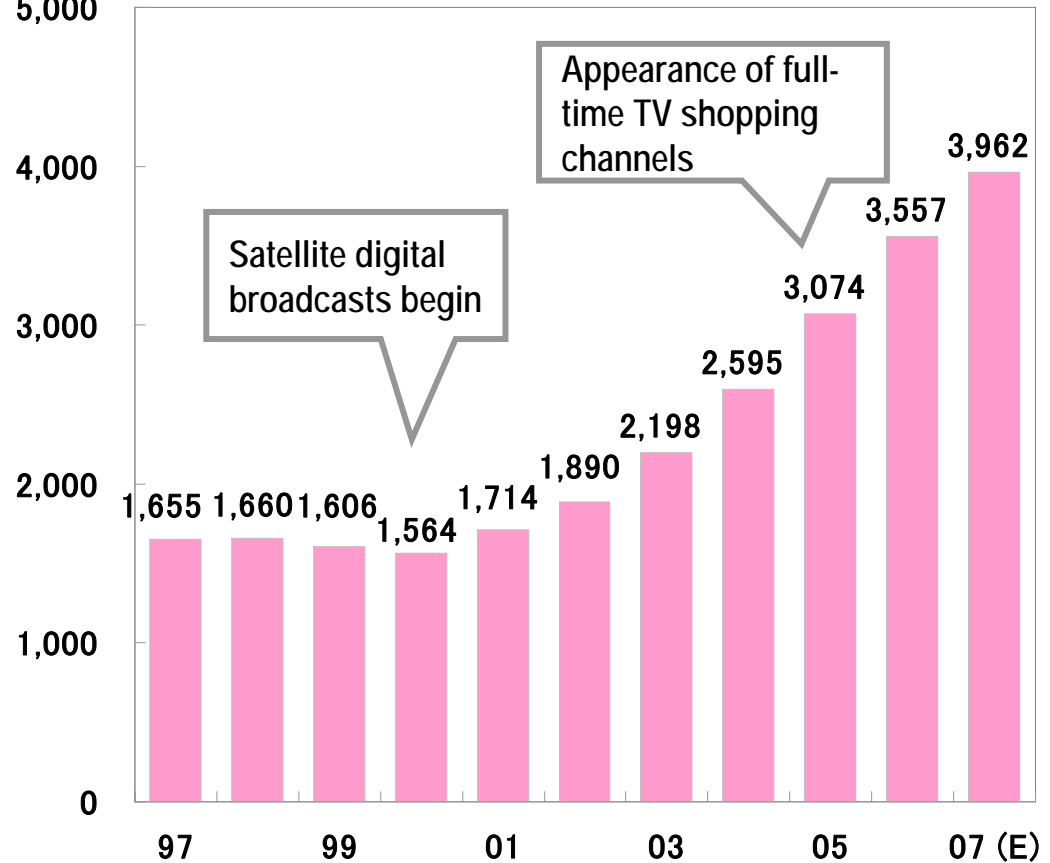
Sales through Internet, TV and mobile devices growing

【Market Share by Media Type】



(¥bn)
5,000

【TV Shopping Market】



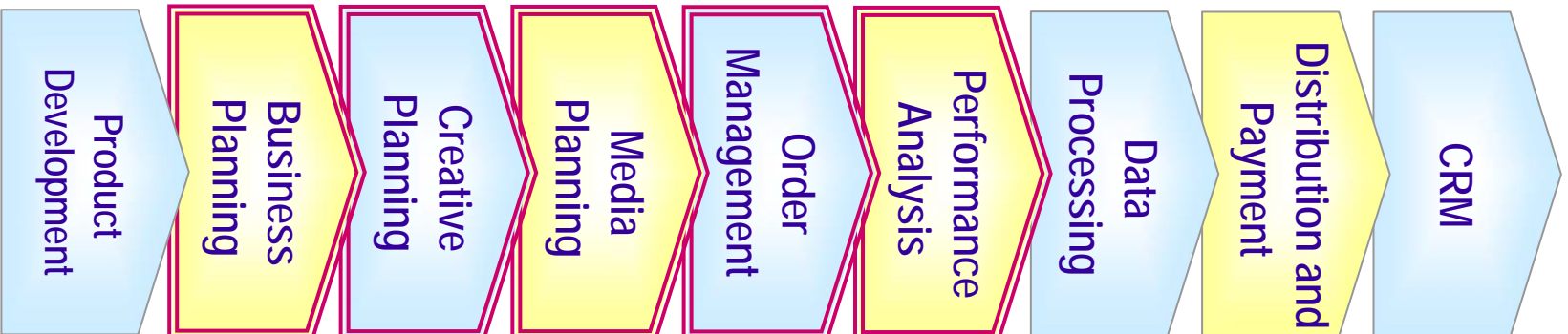
Source: Fuji-Keizai, *Mail Order and e-Commerce Business 2007-2008: Current Status and Future*, November 2007



Business Domain

Comprehensive suite of services for direct marketing

The direct marketing value chain



Formulating strategies for improved customer satisfaction and continued sales

Determining the shipping and settlement method

Compiling order and shipping data

Efficiency evaluation and anticipation of future results

Order method selection and management

Media schedule and obtaining space

Concept selection and program production

Business plan and strategy formation

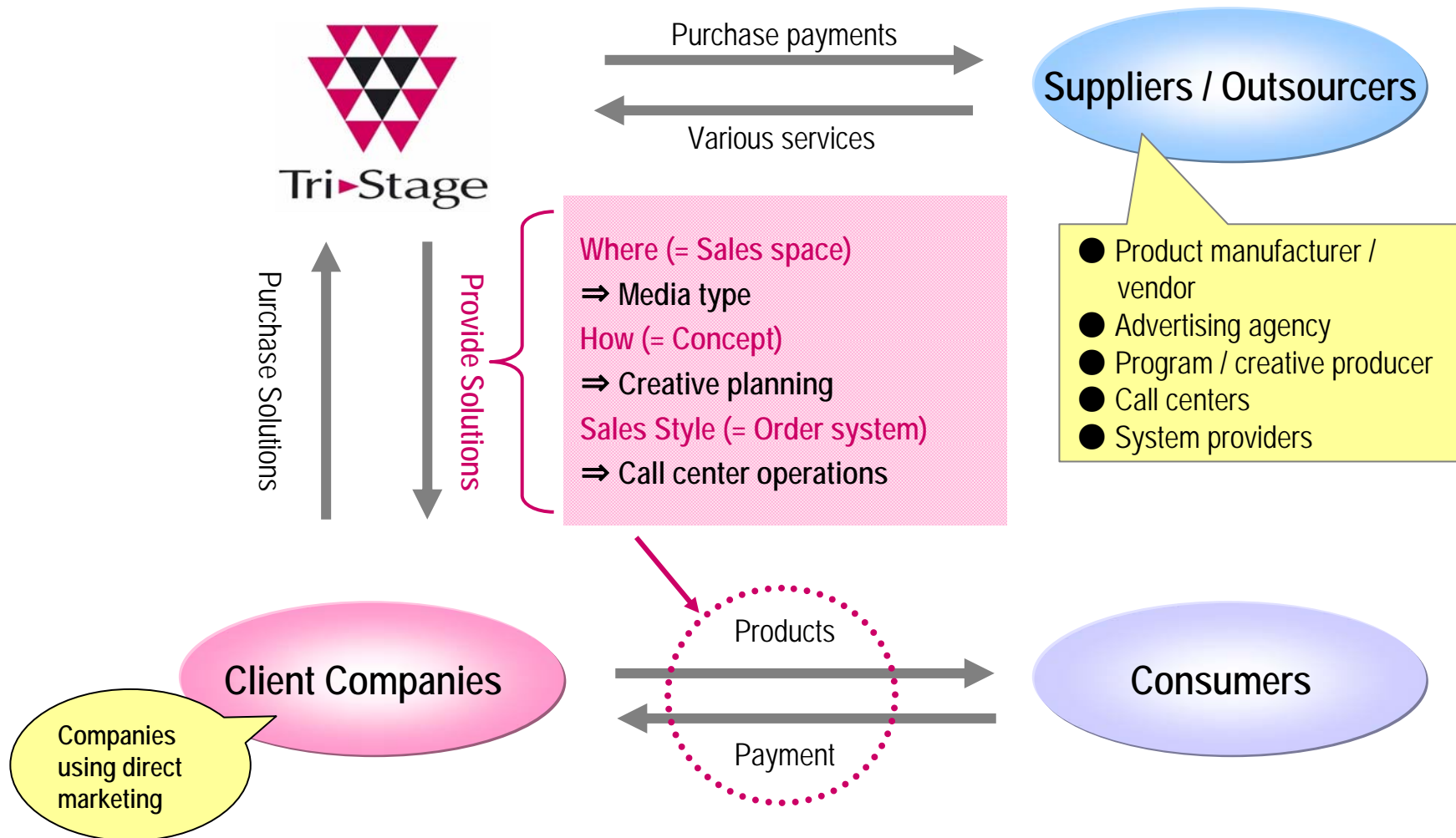
Product selection and pricing

Example of Tri-Stage's Solutions Lineup



Tri-Stage's Business Model

Customer service utilizing independent strength





Source of Competitiveness (Strengths)

Total solutions based on data analysis



Tri-Stage

Many premium TV time slots

Pre-purchases
Large volume purchases
Fixed period purchases

Maximize cost-effectiveness
by lowering media costs

Order management expertise

Comprehensive order management
at call centers

1. Efficient call center management
2. Response scripts (talk manuals)

Maximize the lifetime value
of customers and products

Data analysis capabilities

In-house developed quantitative
assessment system

1. Media: Media ratio (sales to ad costs)
2. Content: Monitoring system

Effective media type
and creative planning

Help expand business for companies using direct marketing



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Overview of FY2/09 1H Results

Profitability rising, forecasts revised upward

(Units: ¥mn; %; % points)

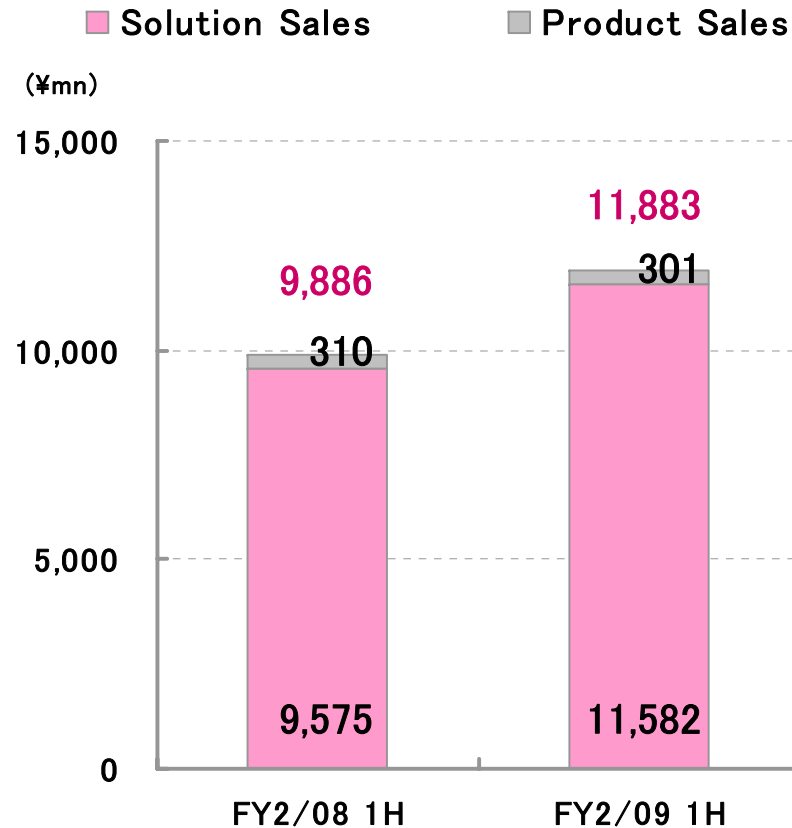
	FY2/08 1H (Actual)	FY2/09 1H (Actual)	YoY	Growth Rate	FY2/09 1H (Plan)	Vs. Plan
Net Sales	9,886	11,883	+1,997	+20.2	11,852	+0.3
Gross Profit	726	1,443	+717	+98.8	1,282	+12.5
Gross Profit Margin	7.3	12.1	+4.8%pts	-	10.8	+1.3%pts
Operating Income	351	982	+630	+179.3	771	+27.3
Operating Margin	3.6	8.3	+4.7%pts	-	6.5	+1.8%pts
Ordinary Income	348	953	+605	+173.9	738	+29.0
Ordinary Income Margin	3.5	8.0	+4.5%pts	-	6.2	+1.8%pts
Net Income	198	554	+355	+178.6	428	+29.3
Net Income Margin	2.0	4.7	+2.7%pts	-	3.6	+1.0%pts

Note: Forecasts were announced on August 7, 2008; Actual results on September 18



Sales by Segment

Sales continue to increase, up 20.2% YoY



- **Solution Sales**

- Up 21.0% YoY
- Volume of media space sales and call center operations continue to rise

- **Product Sales**

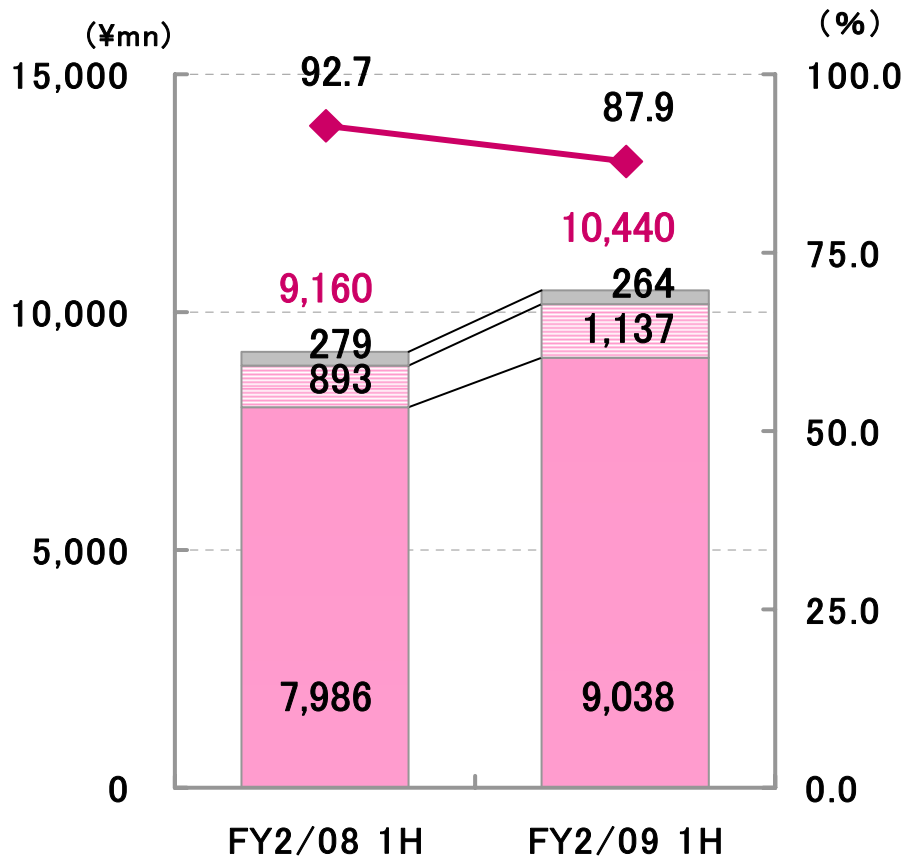
- Down 3.2% YoY
- Aspect of solution sales, performance in line with plan



Cost of Sales

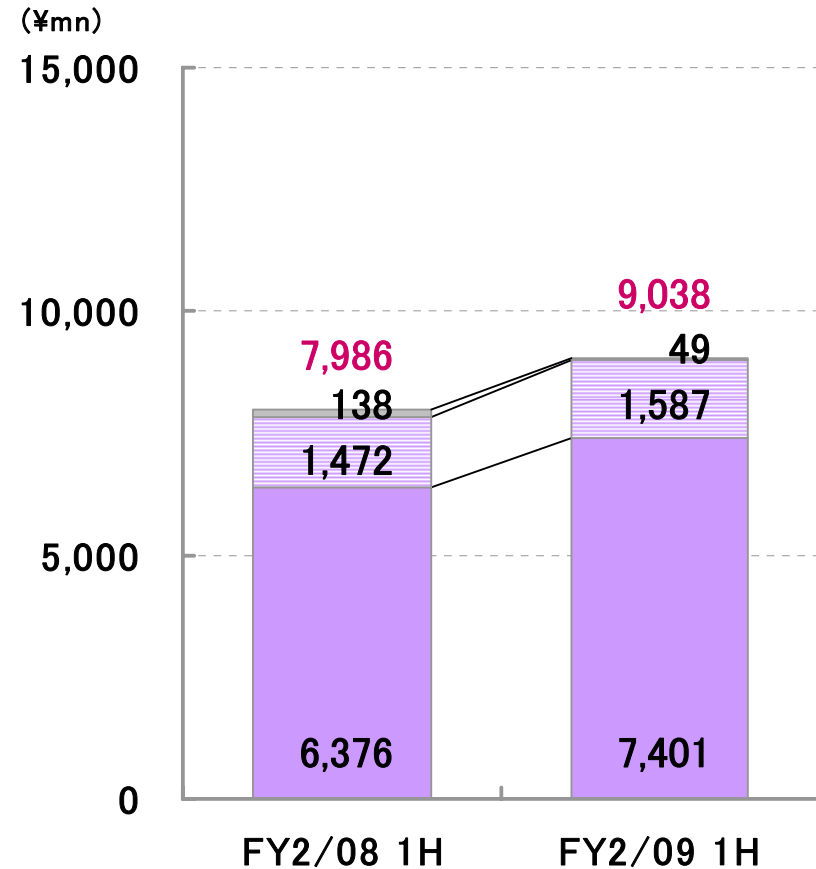
Cost of Sales

- Cost of Goods Sold
- ▨ Outsourcing Costs
- Media Acquisition Costs
- ◆ Sales Cost Ratio



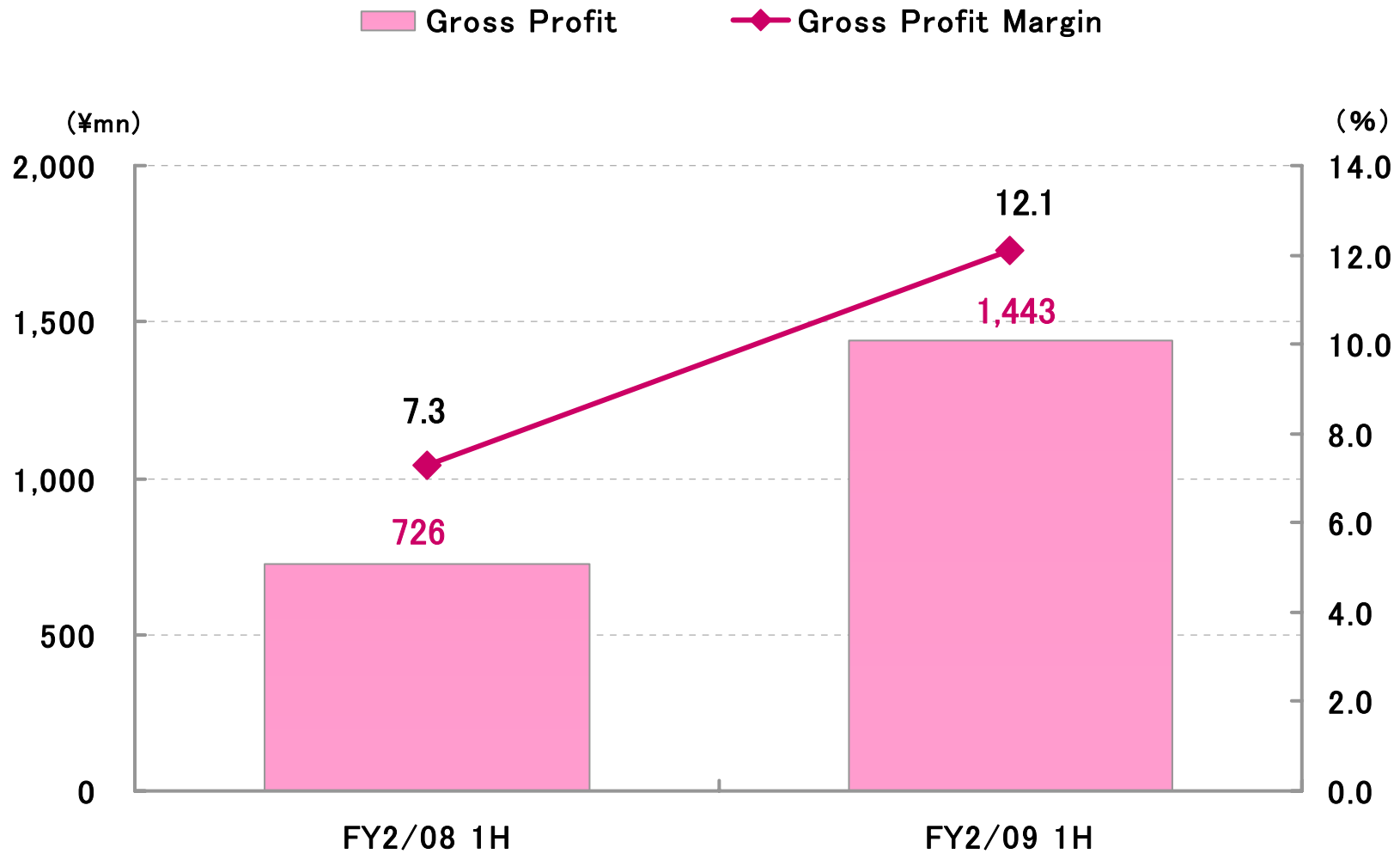
Media Spot Acquisition by Type

- TV (programs)
- ▨ TV (commercials)
- Other



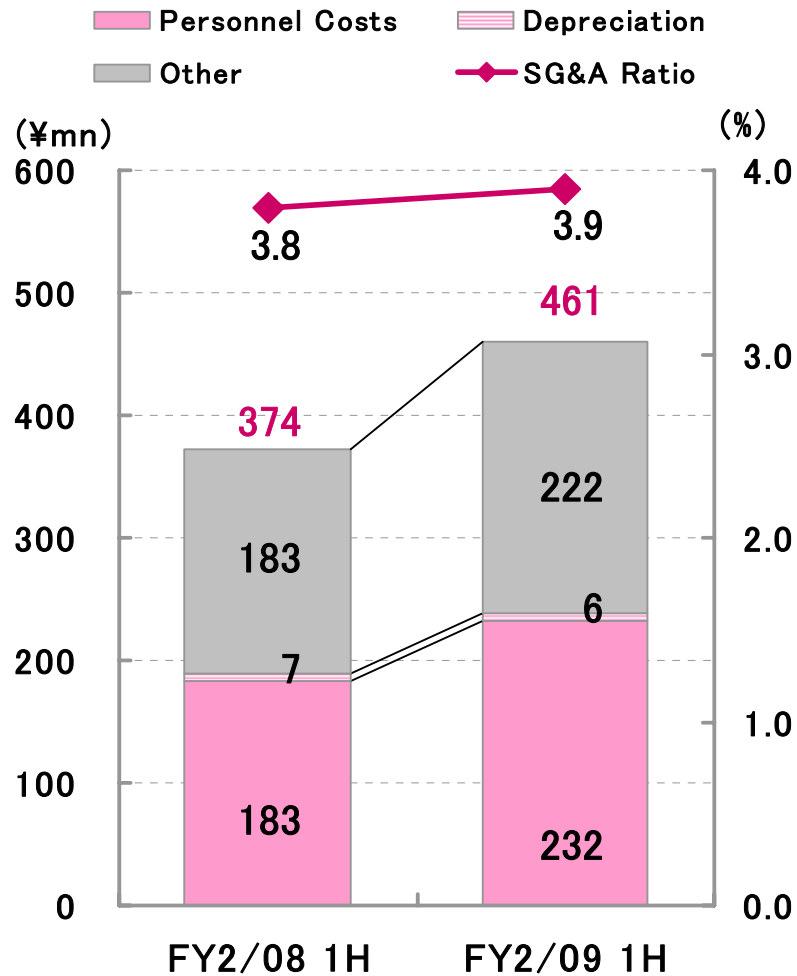


Gross Profit





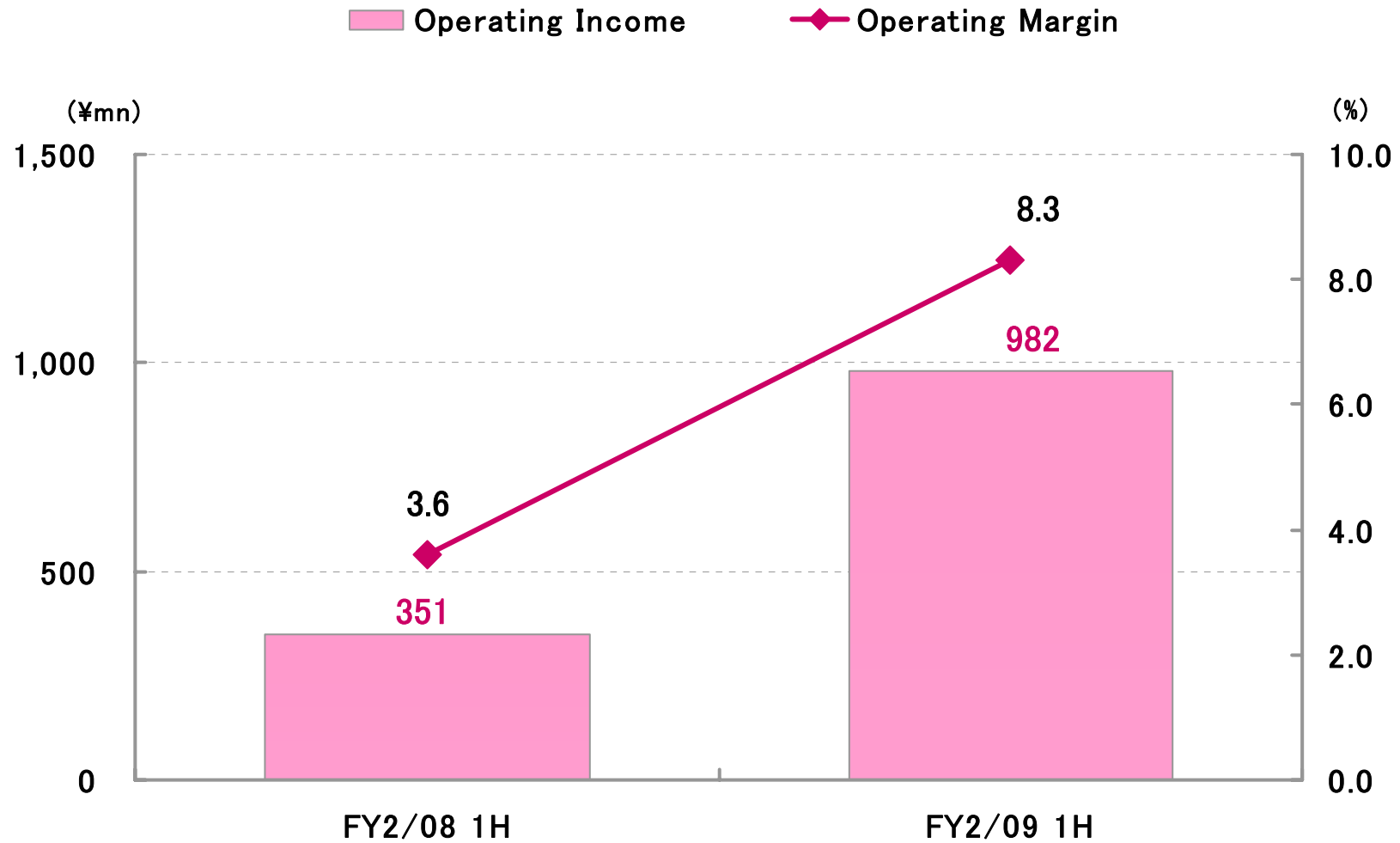
SG&A Expenses



- **Personnel Costs**
 - Up 26.5% YoY
 - Increased hiring of new graduates and mid-career employees pushed up personnel costs
- **Other**
 - Up 21.2% YoY
 - Higher overhead due to personnel increases
 - Advertising and promotion costs; taxes and public charges

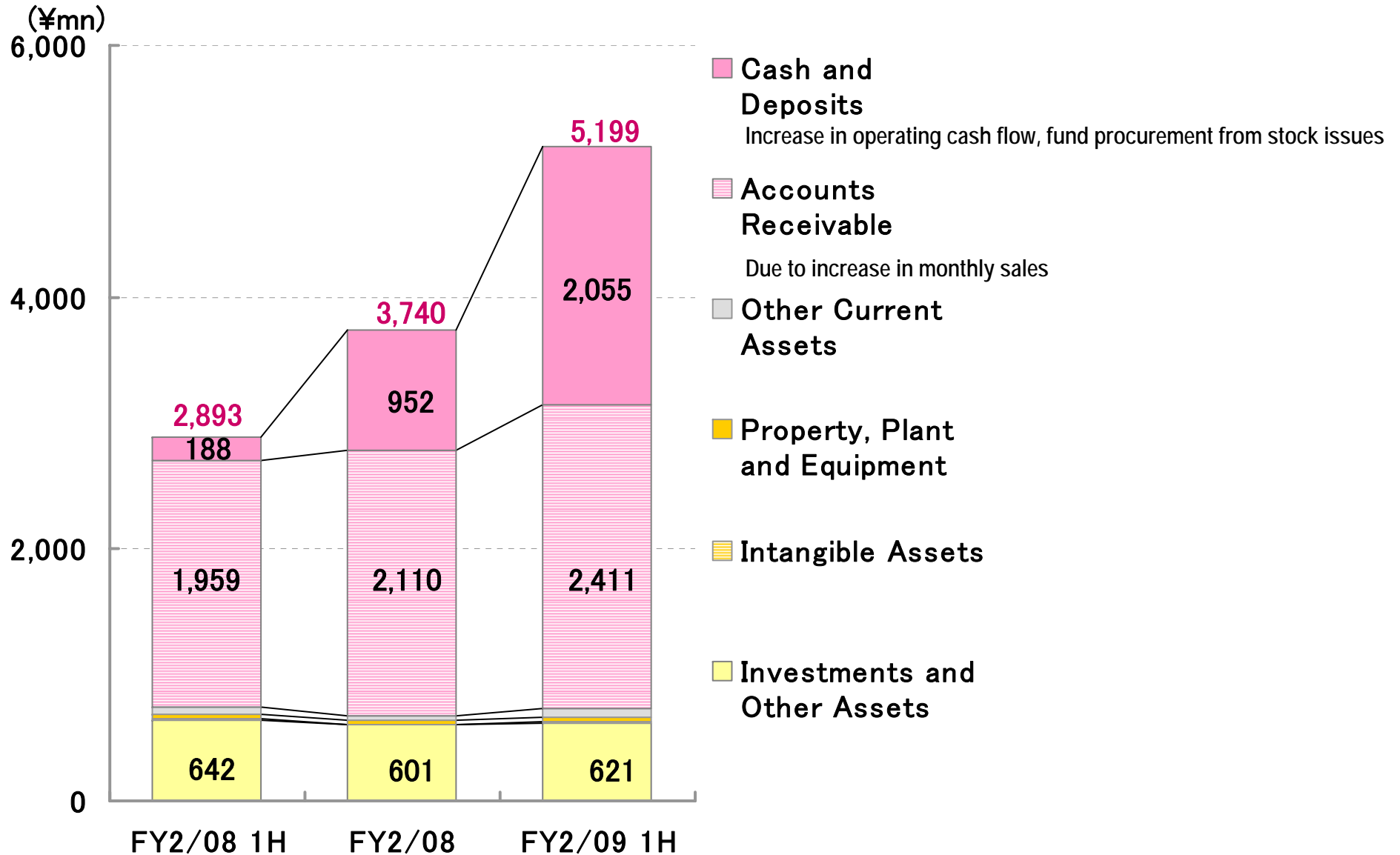


Operating Income





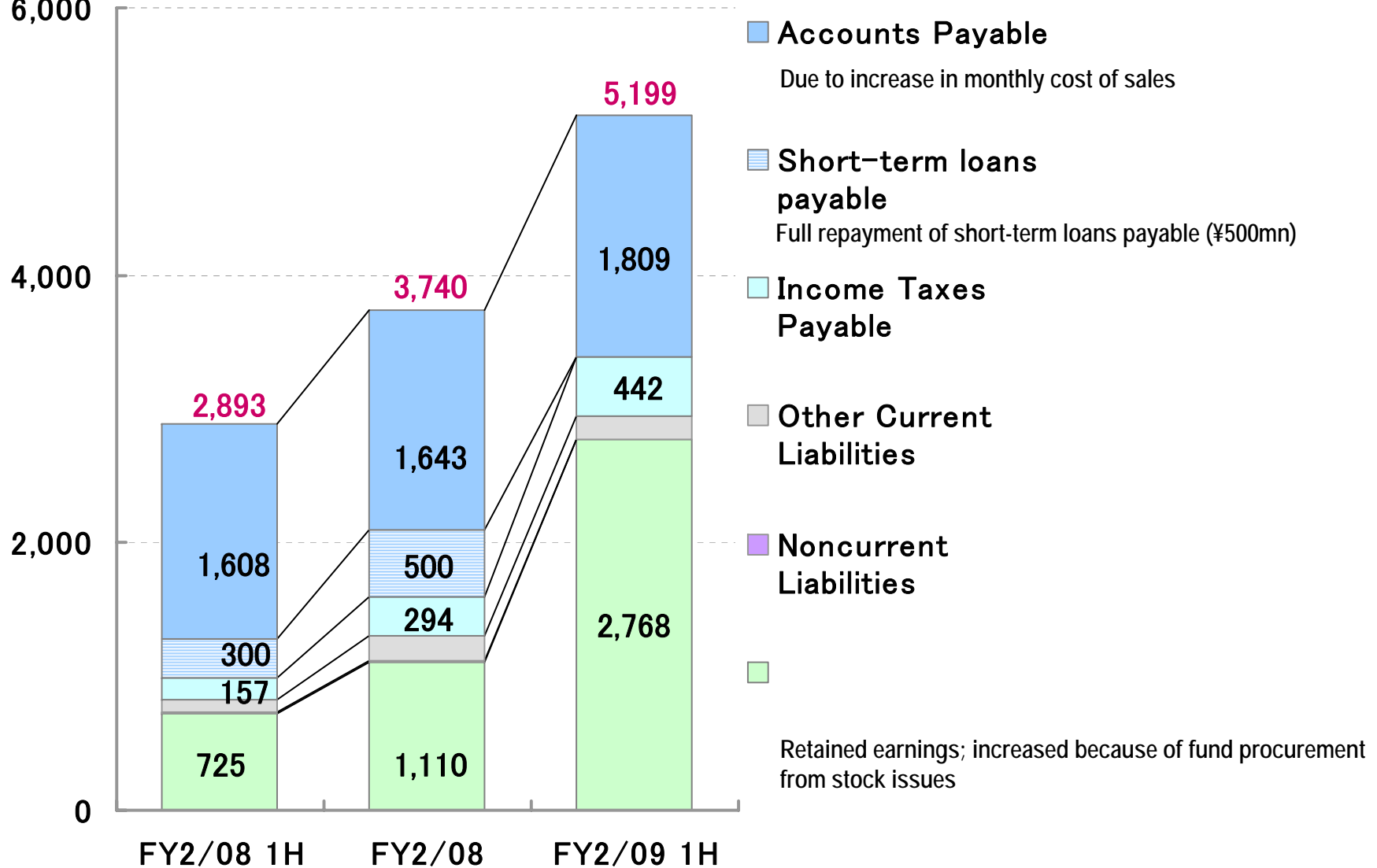
Financial Position: Assets





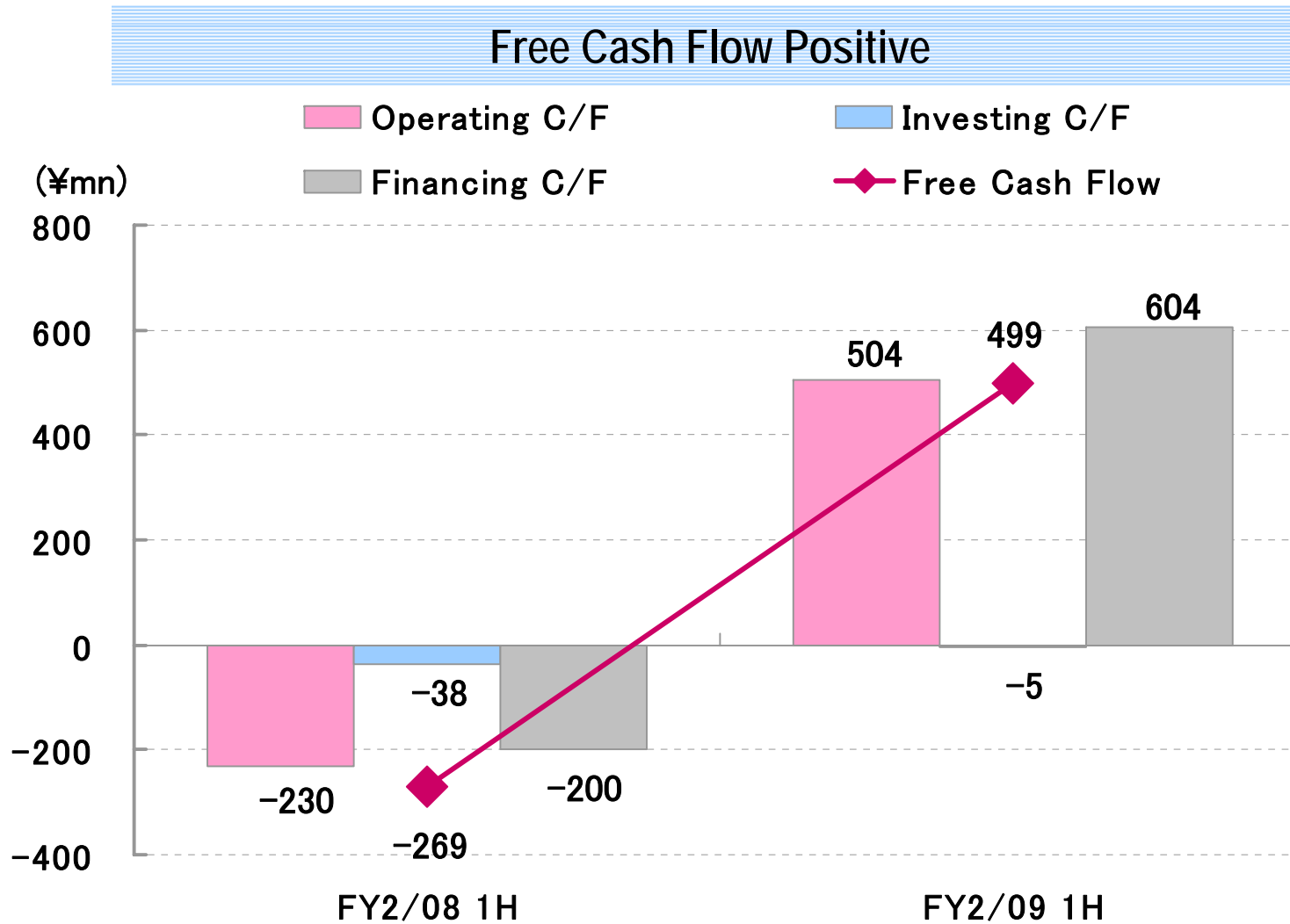
Financial Position: Liabilities and Net Assets

(¥mn)
6,000





Cash Flows



Note: Free Cash Flow = Operating C/F plus Investing C/F



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FY2/09 Forecasts

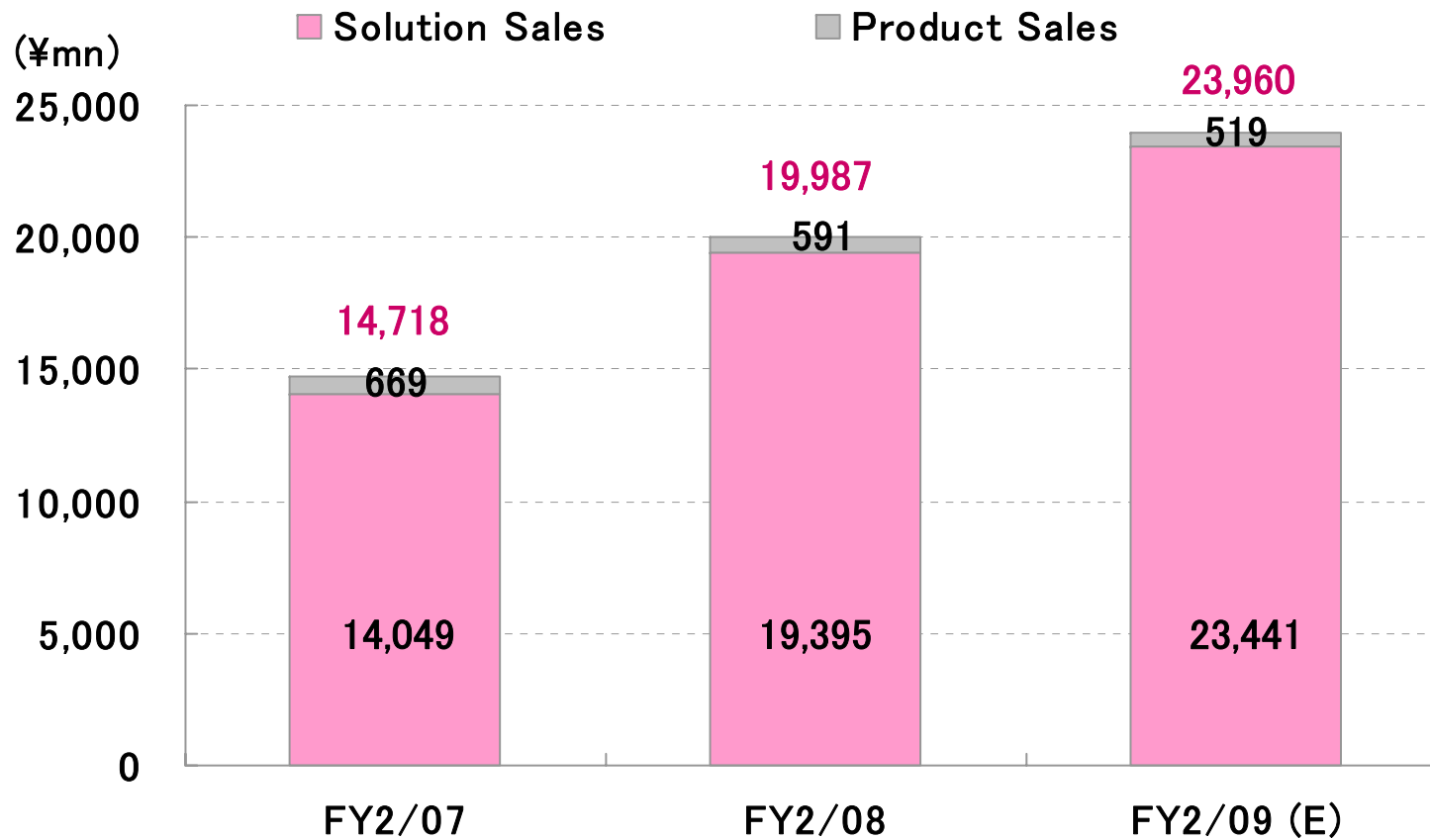
Forecast of 57% increase in operating income in FY2/09 due to greater profitability

(Units: ¥mn; %; % points)

	FY2/08	FY2/09 (E)			YoY	Growth Rate
		1H	2H	Full Year		
Net Sales	19,987	11,883	12,077	23,960	3,973	+19.9
Gross Profit	1,808	1,443	1,292	2,735	926	+51.2
Gross Profit Margin	9.1	12.1	10.7	11.4	+2.4%pts	-
Operating Income	1,045	982	660	1,642	597	+57.2
Operating Margin	5.2	8.3	5.5	6.9	+1.6%pts	-
Ordinary Income	1,039	953	660	1,613	574	+55.3
Ordinary Income Margin	5.2	8.0	5.5	6.7	+1.5%pts	-
Net Income	584	554	383	937	352	+60.4
Net Income Margin	2.9	4.7	3.2	3.9	+1.0%pts	-
Net Income Per Share	¥266.96	¥248.35	¥153.93	¥397.30	-	-

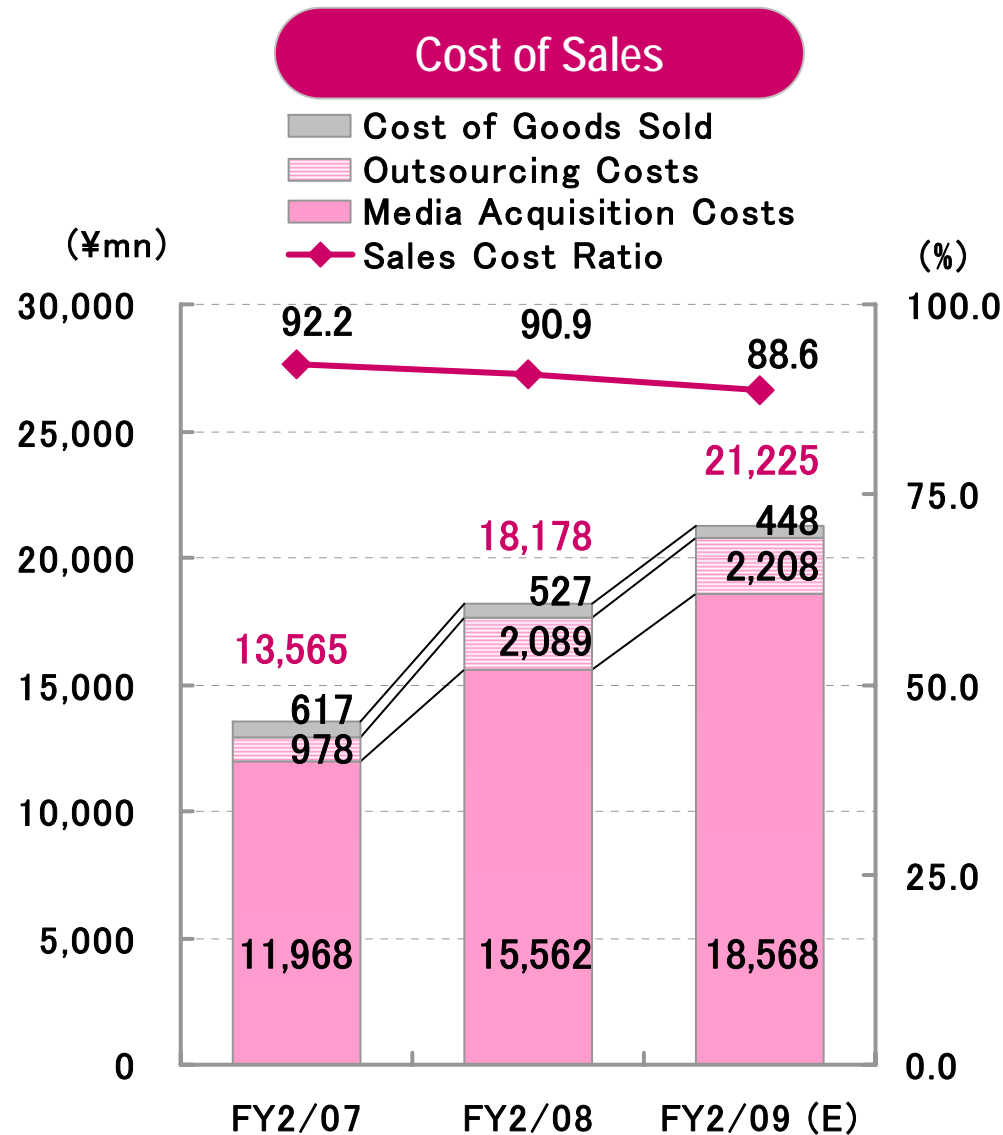


Sales Forecast by Segment





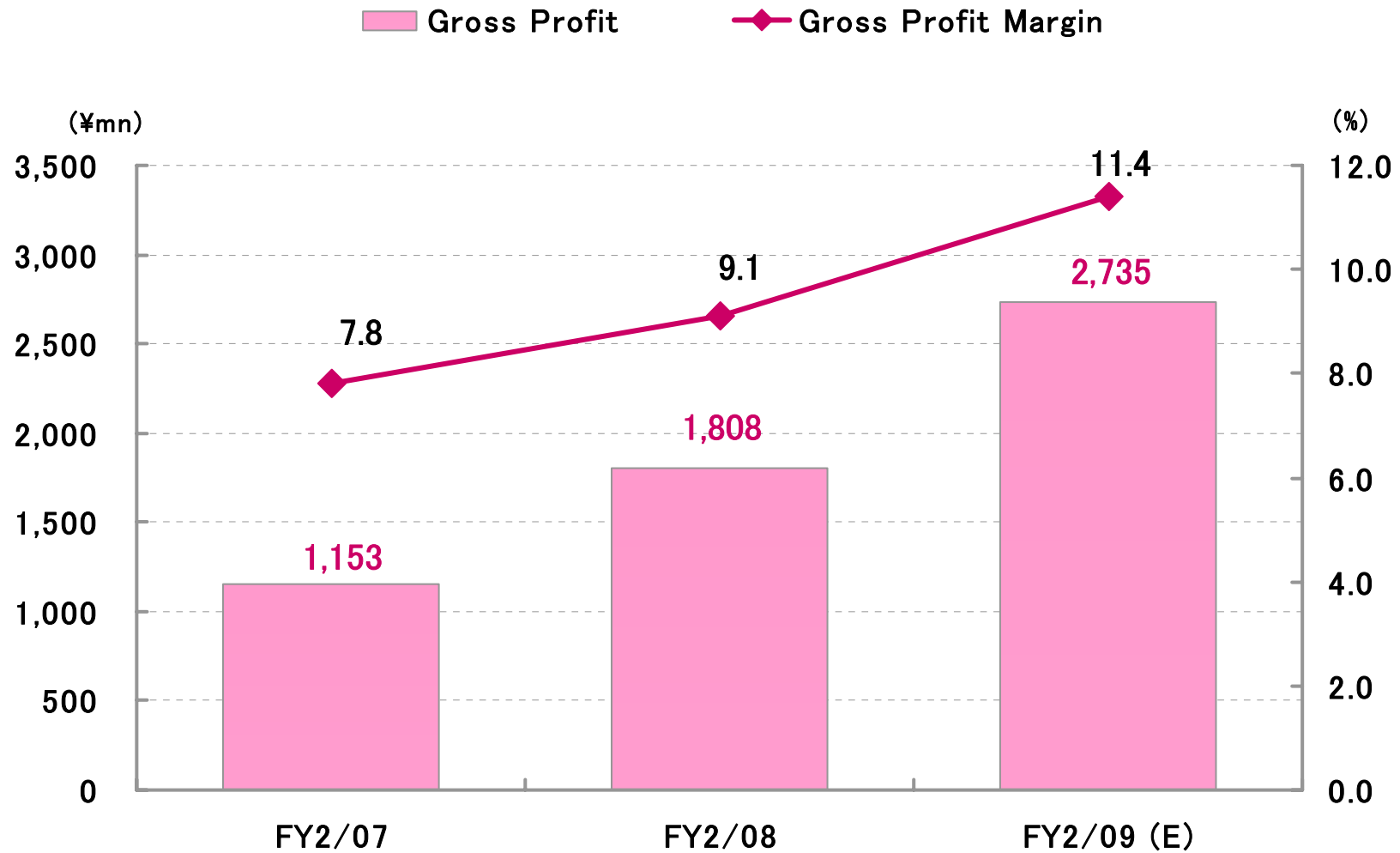
Cost of Sales Forecast



- Media Acquisition Costs**
 - Up 19.3% YoY
 - Increased purchases for existing and new client companies
 - Lower growth rate due to revised purchasing costs
- Outsourcing Costs**
 - Up 5.7% YoY
 - Expansion of call center services to client companies
- Cost of Goods Sold**
 - Down 14.9% YoY
 - No aggressive sales activity planned



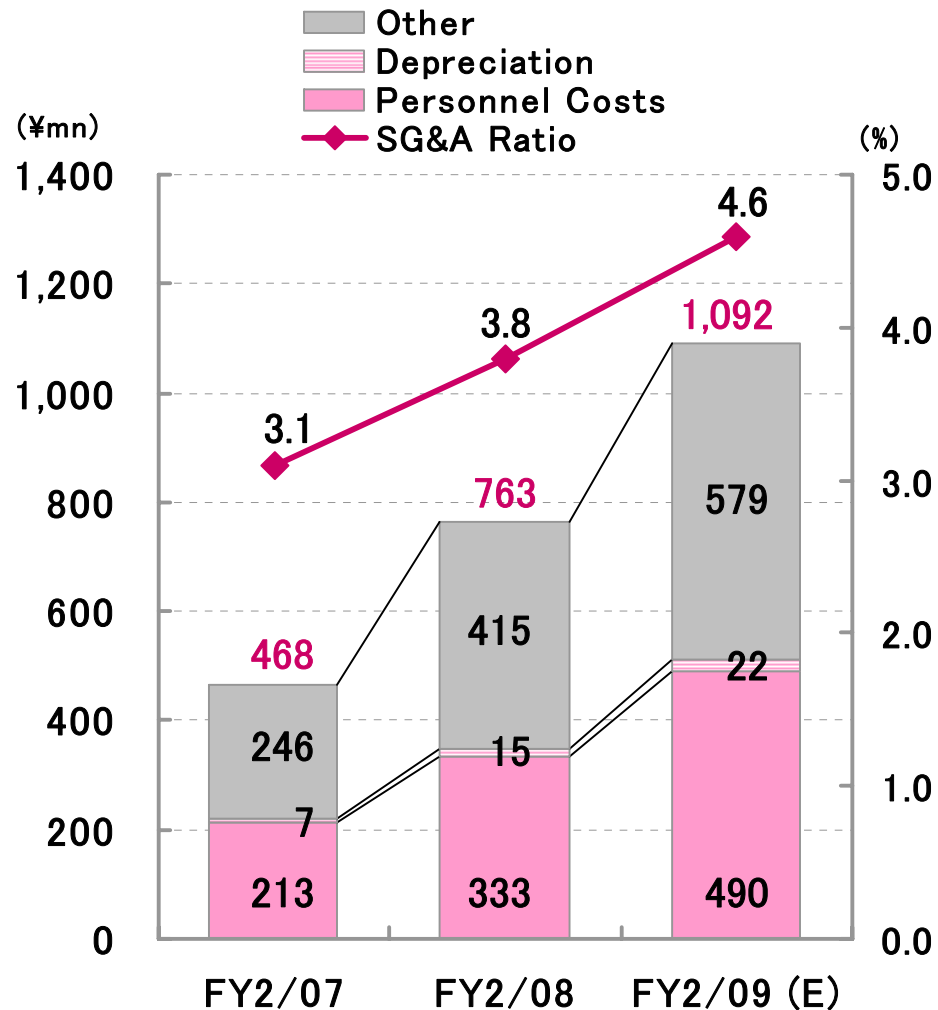
Gross Profit Forecast





SG&A Expenses Forecast

SG&A Expenses



Personnel Costs

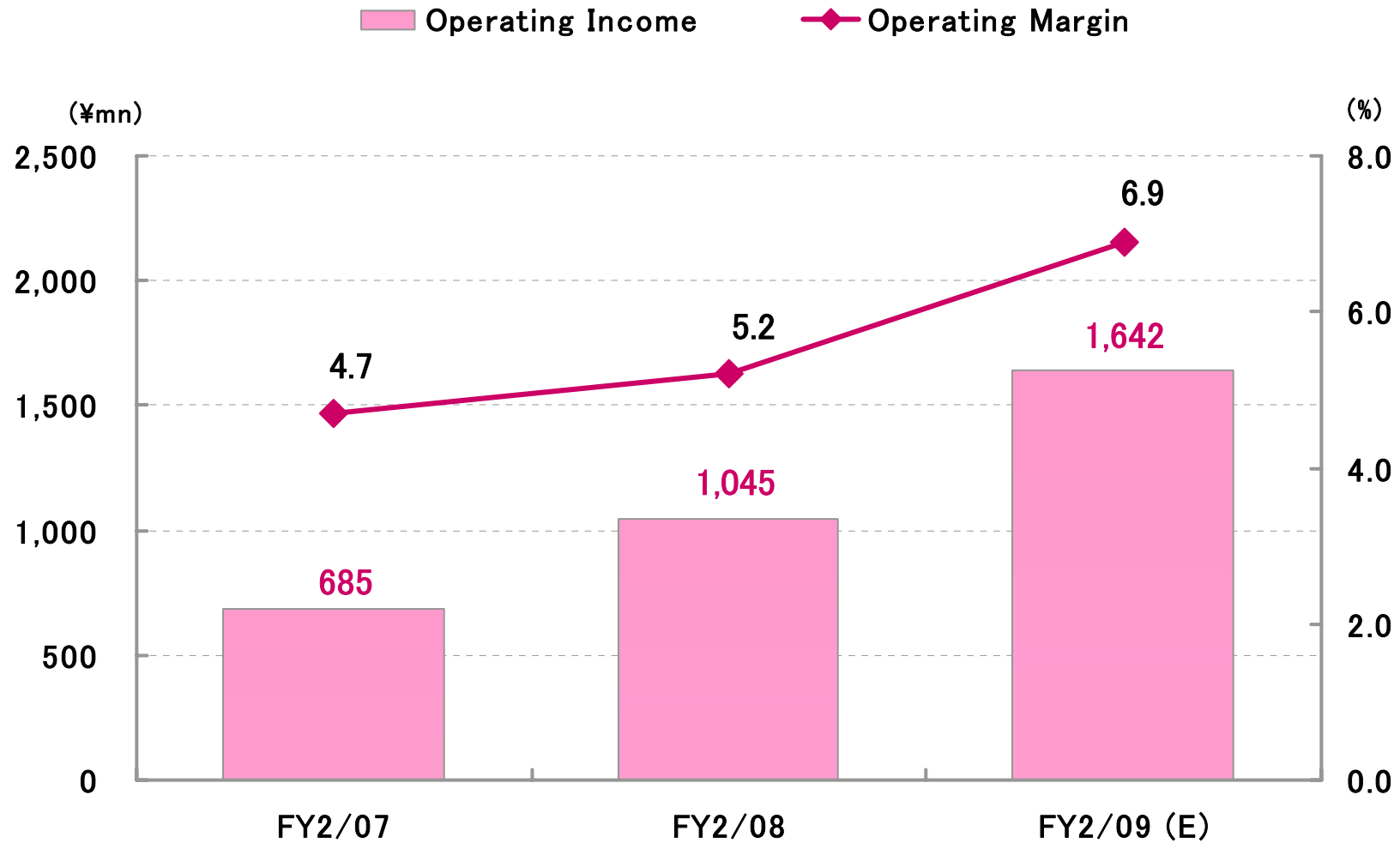
- Up 47.2% YoY
- Planned increase in solutions personnel, including sales, media purchasing, and call center staff

Other

- Up 39.5% YoY
- Recording of development expenses deferred from 1H
- Greater overhead due to personnel increase

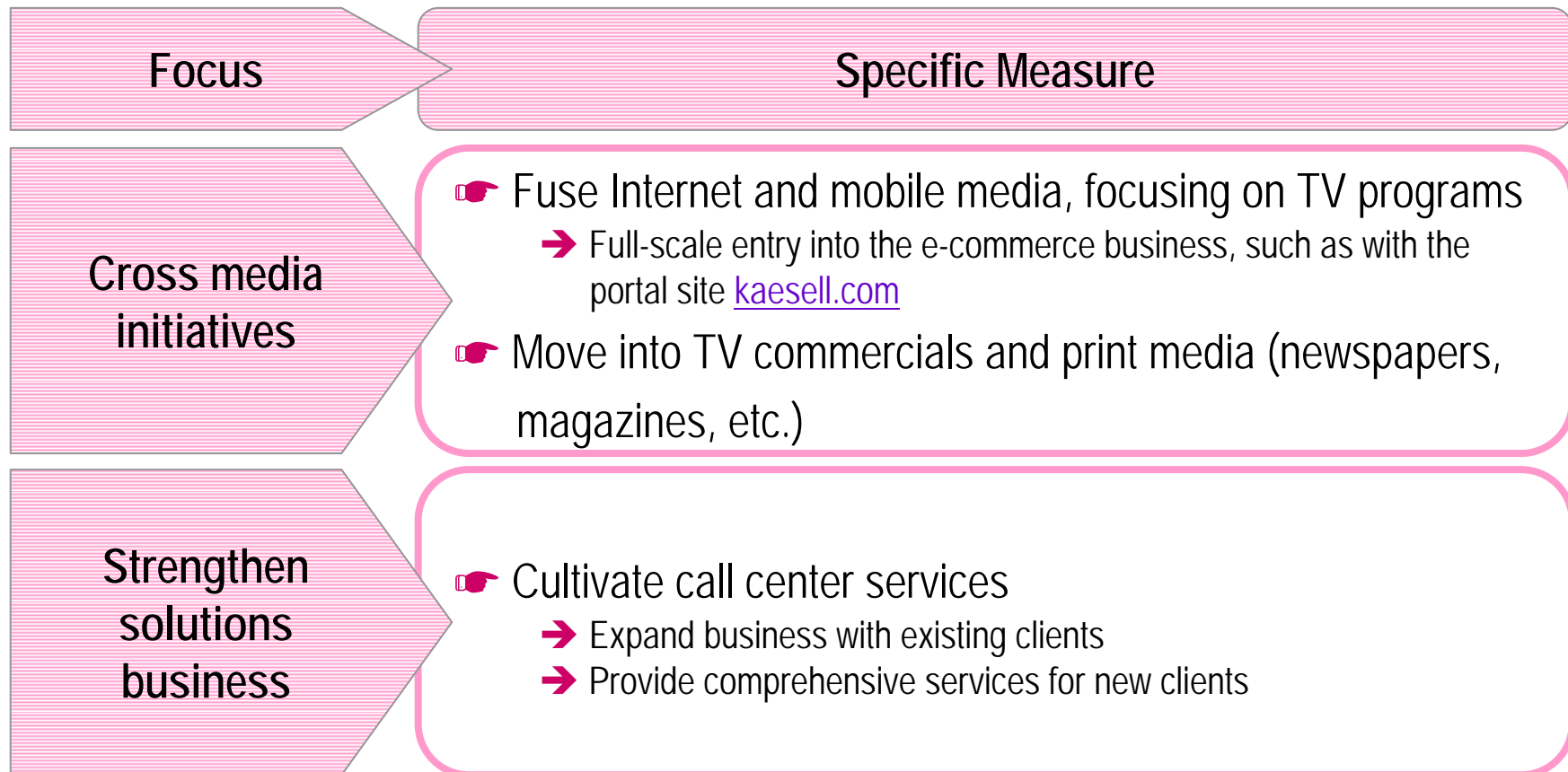


Operating Income Forecast





Measures from Second Half





FAQ

Will the market for direct marketing continue to grow?

- The market for direct marketing is growing despite sluggish consumer spending in Japan. There is a particularly large number of products less subject to fluctuations in economic conditions, such as foods and beauty products.
- We anticipate a boost from the substantial expansion of media spots available with the increase in TV channels from 2011.

What is the potential for the rise of competitors?

- We do not recognize any other company as a true competitor at this point.
- While there is always the potential for a competitor to arise in the future, we believe that our expertise founded on many years of experience, along with continual refinements that will allow us to retain the highest skill levels, will allow us to remain solidly competitive (in terms of market share, skill, expertise and personnel).

How does Tri-Stage charge client companies?

- There are two methods: 1) a fixed fee on top of total costs from solution services; and 2) a fixed percentage of client company sales.

How will earnings change with the increase in cross media marketing?

- The benefits of cross media are 1) greater earnings from new markets and an increase in customers; 2) an increase in sales synergies from cross selling; and 3) reduced risk of earnings fluctuation. We feel that cross media marketing will allow us to both increase earnings and reduce risk.

What are your plans for increasing personnel (consultants), and your investment plans (financing needs)?

- We are aggressively hiring new graduates each year, equalizing our age groups.
- We will invest to expand business, including investing in internal IT systems, paying deposits to suppliers, and promoting the development of cross media marketing.



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Overview of Tri-Stage, Inc.

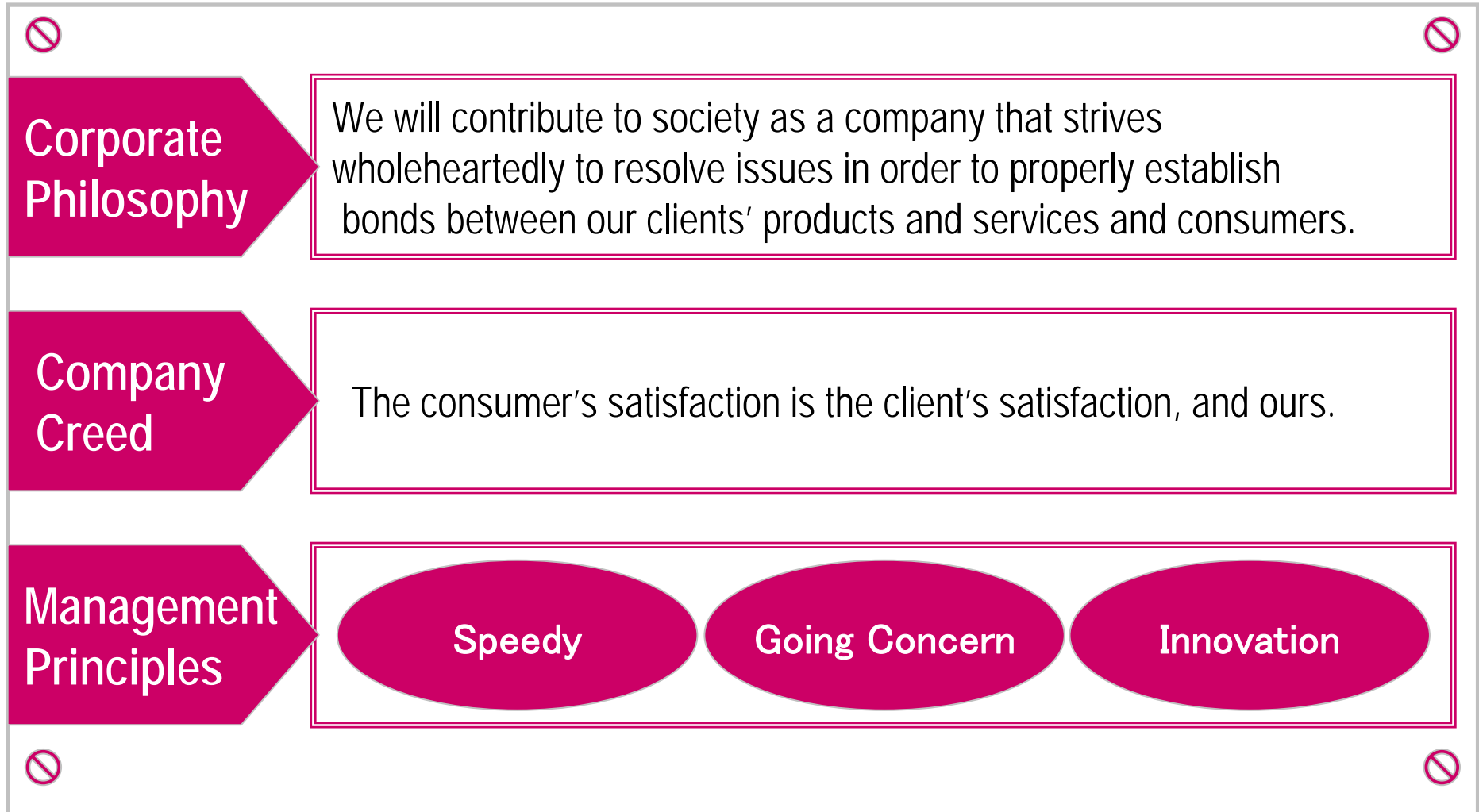
- Established March 2006
- Head Office 2-4-1, Shiba-koen, Minato-ku, Tokyo
- Representatives Isao Senoo (CEO); Kyohei Nakamura (CMO); Akio Maruta(COO)
- Business Content Support services for direct marketing, centered on television shopping sales
- Capital ¥627 million (August 31, 2008)
- Shares Issued 2,489,300 shares (August 31, 2008)
- No. of Employees 43 (August 31, 2008)

Definition of “Direct Marketing”

Providing a phone number, URL or other contact information through TV, Internet or other media outlets, and selling products and services through direct, interactive communication with consumers via telephone or email.



Philosophy, Creed and Management Principles





Increased Scale of Transactions with Client Companies

No. of Clients by Scale of Transaction

	FY2/08 1H	FY2/08 2H	FY2/09 1H
Over ¥500mn	3	5	6
¥250mn - ¥500mn	7	7	5
¥100mn - ¥250mn	5	6	7
Other	40	27	27
Total	55	45	45



Disclaimer

Forecasts regarding future earnings presented in this presentation are estimated by the Company based on information available at the time of release, and include risks and other uncertainties. Accordingly, there is no guarantee that the Company will achieve these forecast figures.

Changes in the internal circumstances of the Company or external business environment may have an impact, whether direct or indirect, on the Company's earnings. Please be aware of the possibility that the forecasts presented in this presentation may change.