



Tri-Stage

株式会社トライステージ

FY2/09 Third Quarter Results Presentation

January 2009

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1. **FY2/09 3Q Results Overview**
2. **FY2/09 Full Year Forecasts**
3. **Future Measures**
4. **Reference Material**

- 1. FY2/09 3Q Results Overview**

2. FY2/09 Full Year Forecasts

3. Future Measures

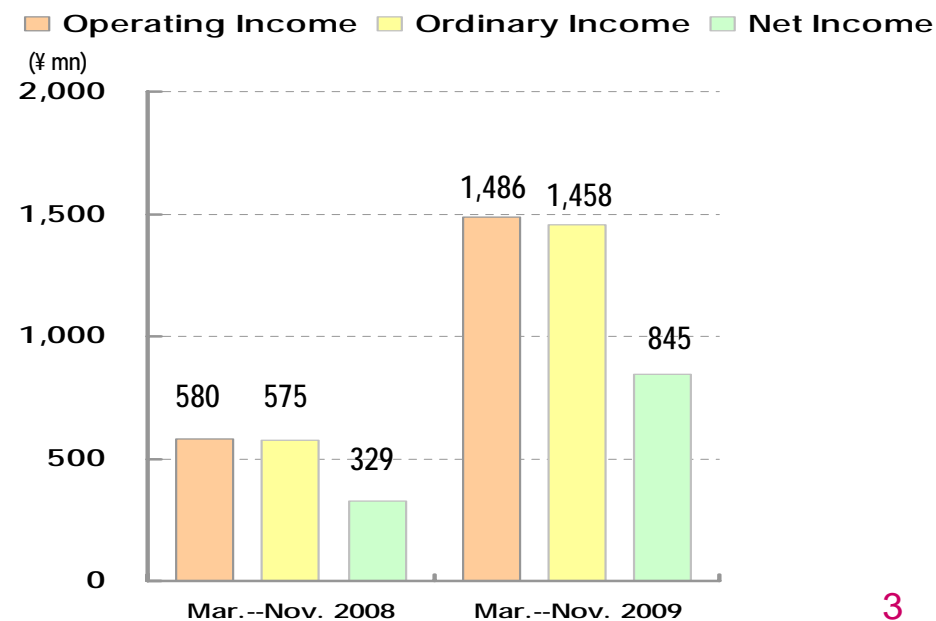
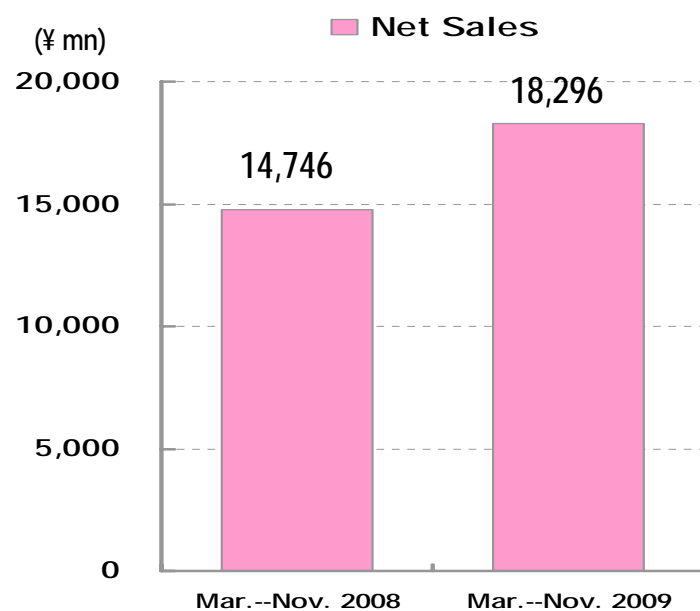
4. Reference Material

Highlights of FY2/09 3Q Results (Cumulative) Tri-Stage

Sales continue to increase, up 24.1% YoY

(Units: ¥ mn; %)

	Mar.–Nov. 2009	YoY Change	Progress vs. Plan
Net Sales	18,296	+24.1%	76.4 %
Operating Income	1,486	+156.0%	90.5 %
Ordinary Income	1,458	+153.4%	90.3 %
Net Income	845	+156.6%	90.2 %



Highlights of FY2/09 3Q Results (Cumulative) Tri-Stage

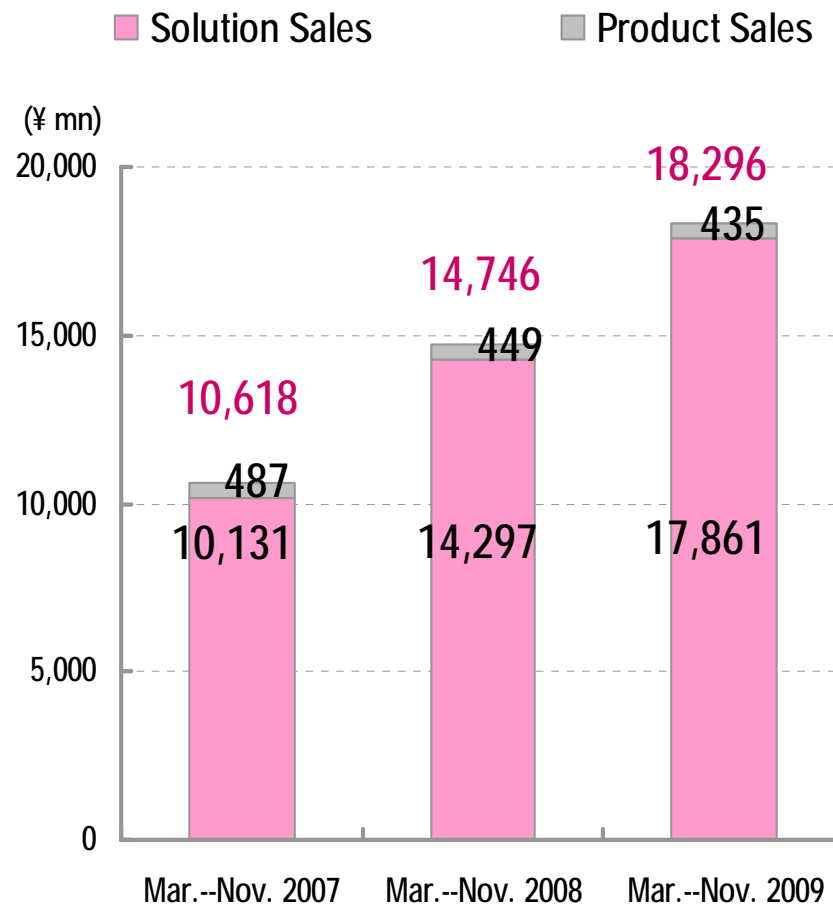
Continued strong sales and earnings growth

(Units: ¥ mn; %; % points)

	Mar.-Nov. 2008 (Actual)	Mar.-Nov. 2009 (Actual)	Increase/ Decrease	YoY Change
Net Sales	14,746	18,296	+ 3,549	+24.1
Gross Profit	1,136	2,191	+ 1,055	+92.9
Gross Profit Margin	7.7	12.0	+ 4.3	-
Operating Income	580	1,486	+ 905	+156.0
Operating Margin	3.9	8.1	+ 4.2	-
Ordinary Income	575	1,458	+ 882	+153.4
Ordinary Income Margin	3.9	8.0	+ 4.1	-
Net Income	329	845	+ 516	+156.6
Net Income Margin	2.2	4.6	+ 2.4	-

Sales by Segment

Sales continue to rise, with solutions business revenue up 24.9% YoY



- **Solution Sales**
 - Up 24.9% YoY
 - Volume of media space sales and call center operations continue to rise
- **Product Sales**
 - Down 3.1% YoY
 - Aspect of solution sales, performance in line with plan

Cost of Sales

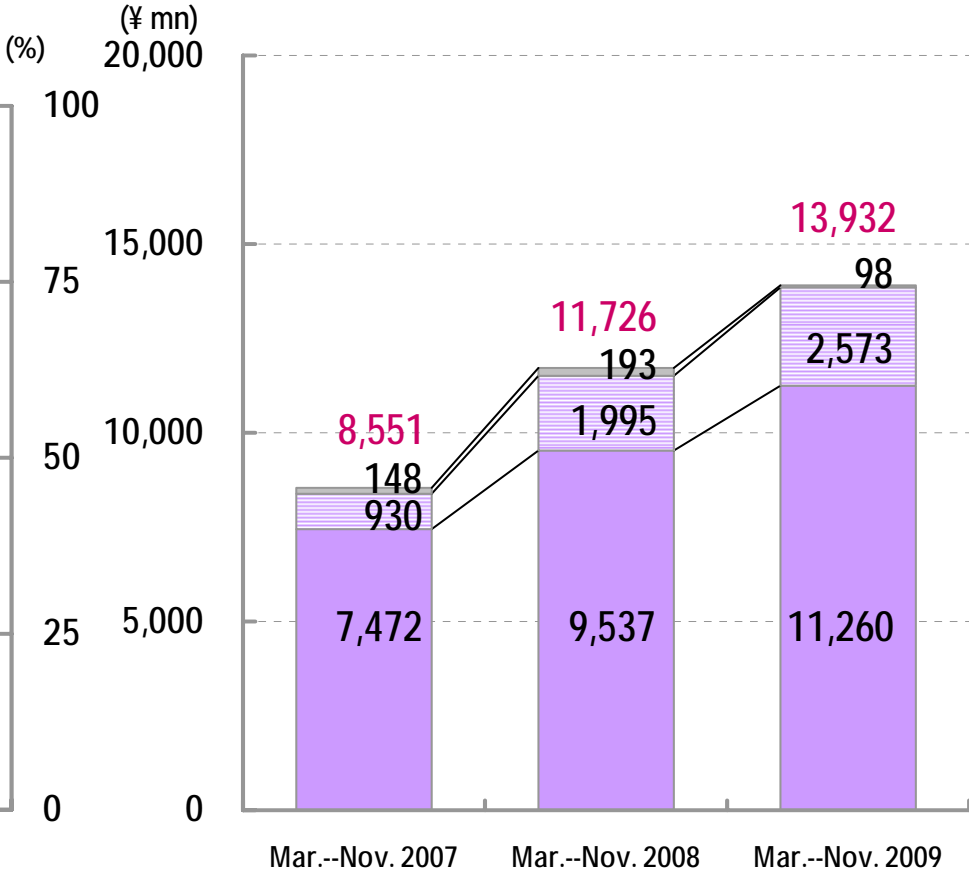
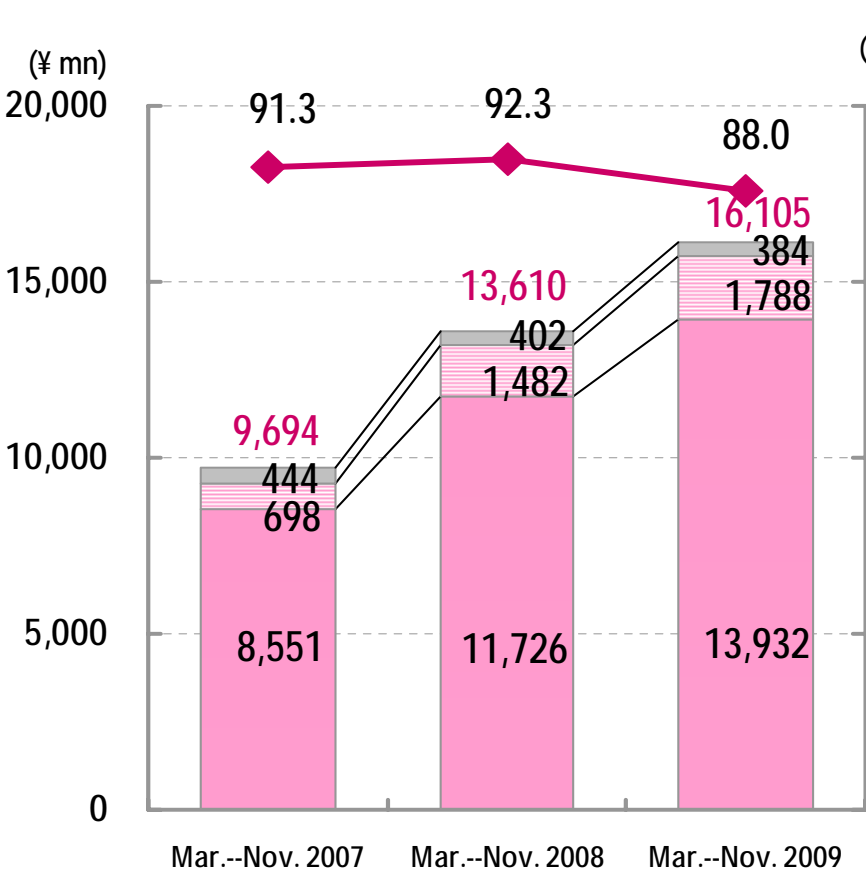


Cost of Sales

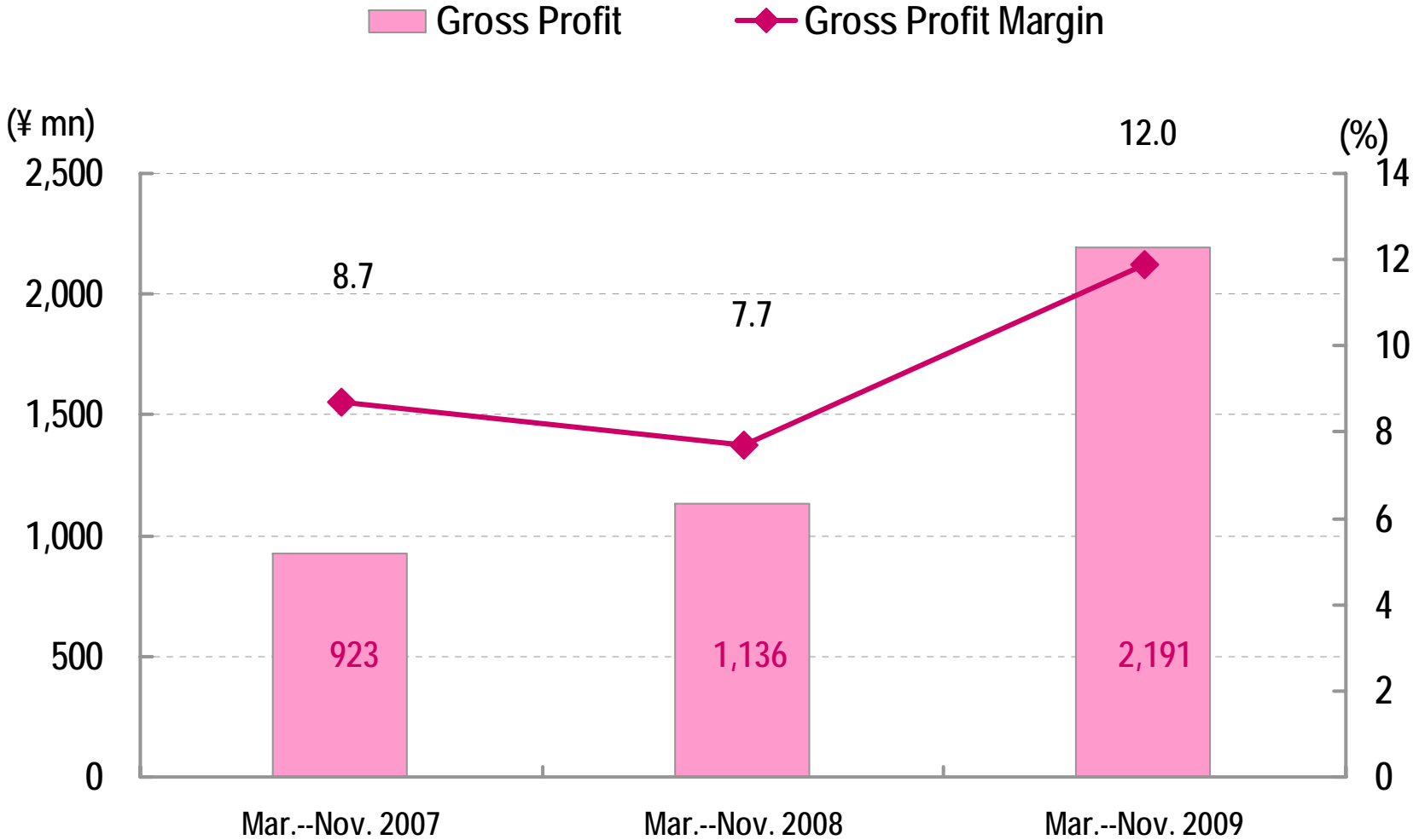
Media Spot Acquisition by Type

Media Acquisition Costs Outsourcing Costs
 Cost of Goods Sold Sales Cost Ratio

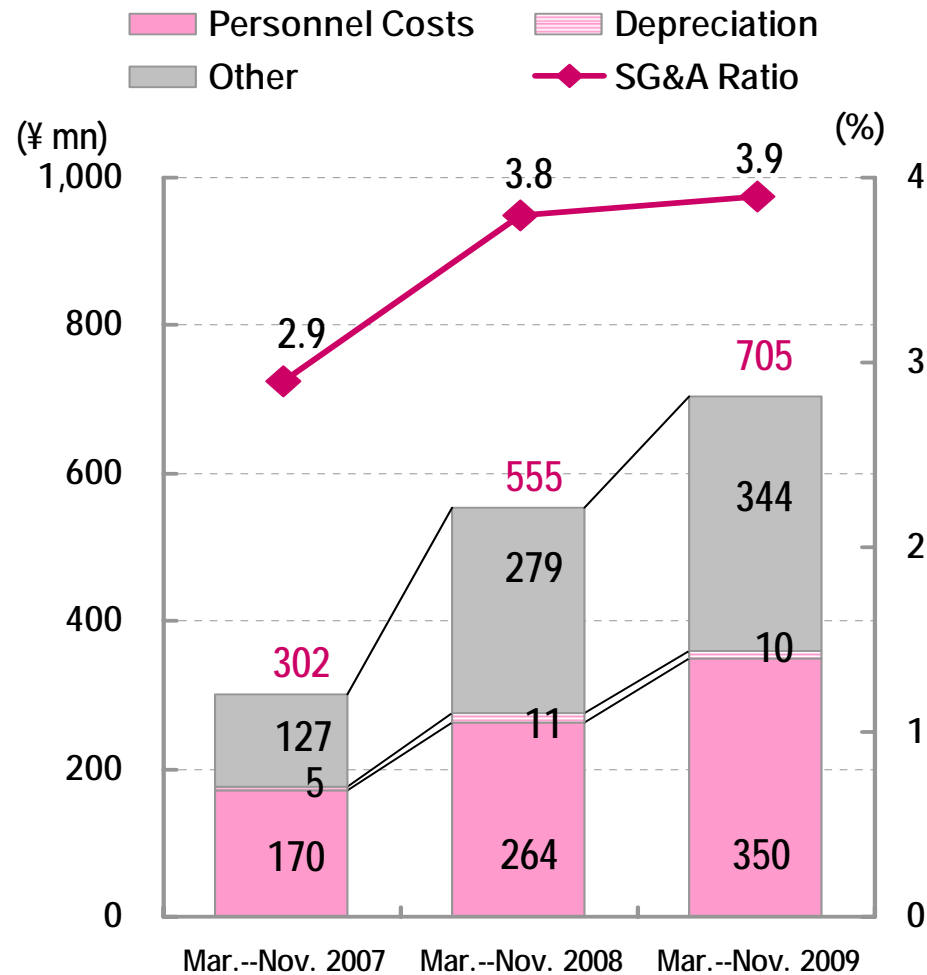
TV (programs) TV (commercials) Other



Gross Profit



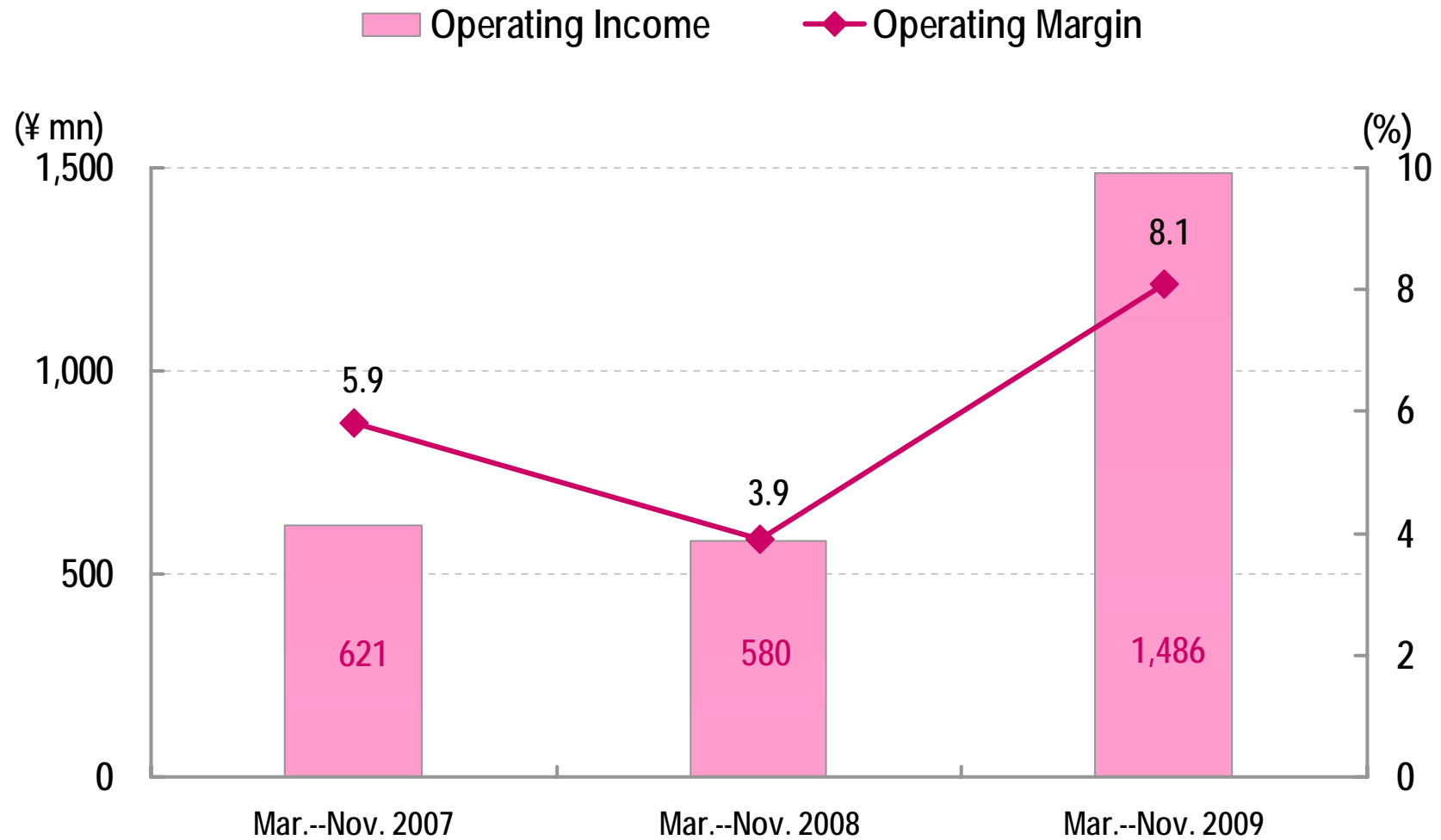
SG&A Expenses



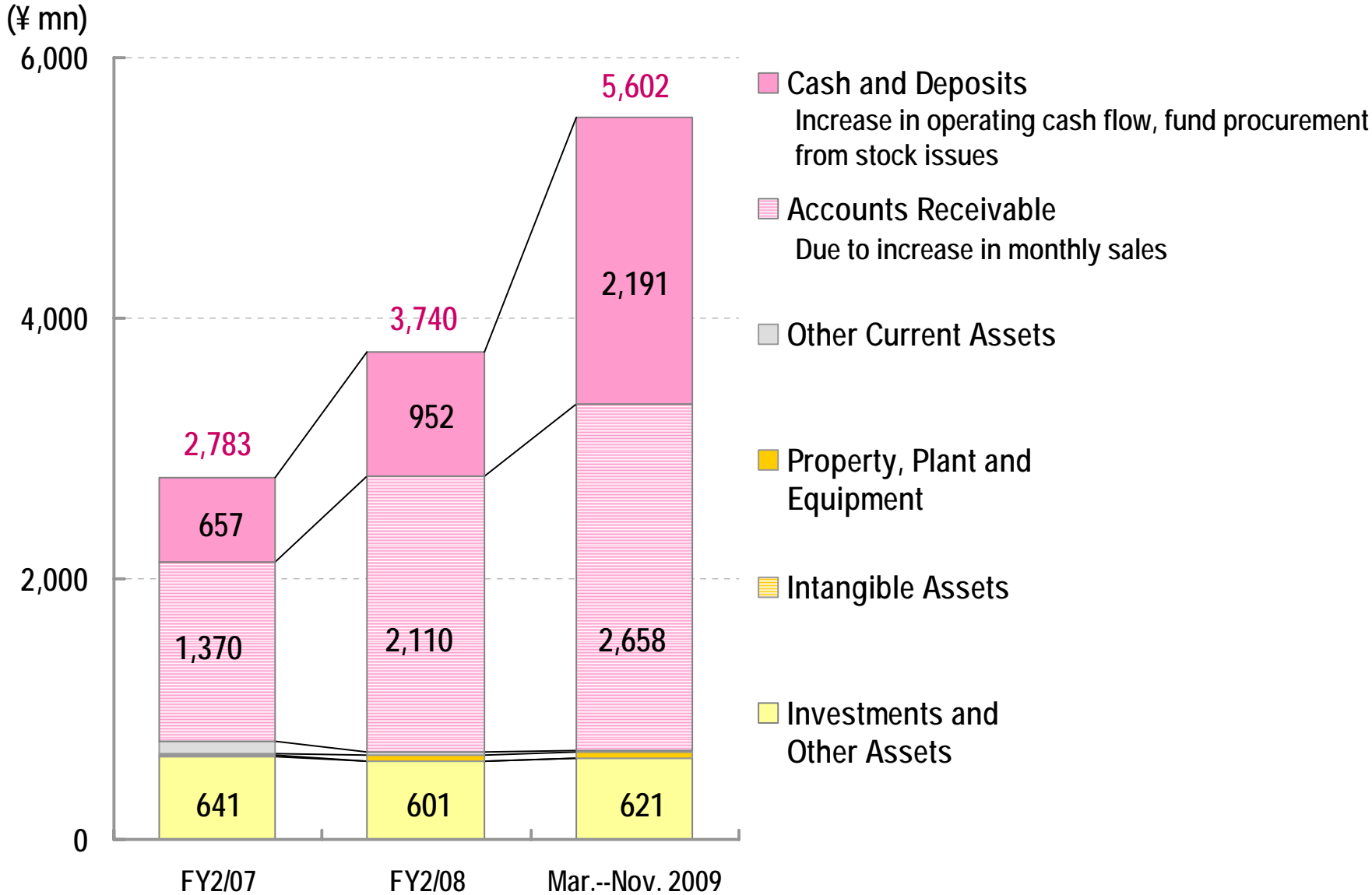
- **Personnel Costs**
 - Up 32.3% YoY
 - Personnel costs up due to nine new employees hired through new graduate and mid-career recruiting

- **Other**
 - Up 23.1% YoY
 - Higher overhead due to personnel increases
 - Advertising and promotion costs; taxes and public charges
 - Increased lease expenses due to expansion of floor space

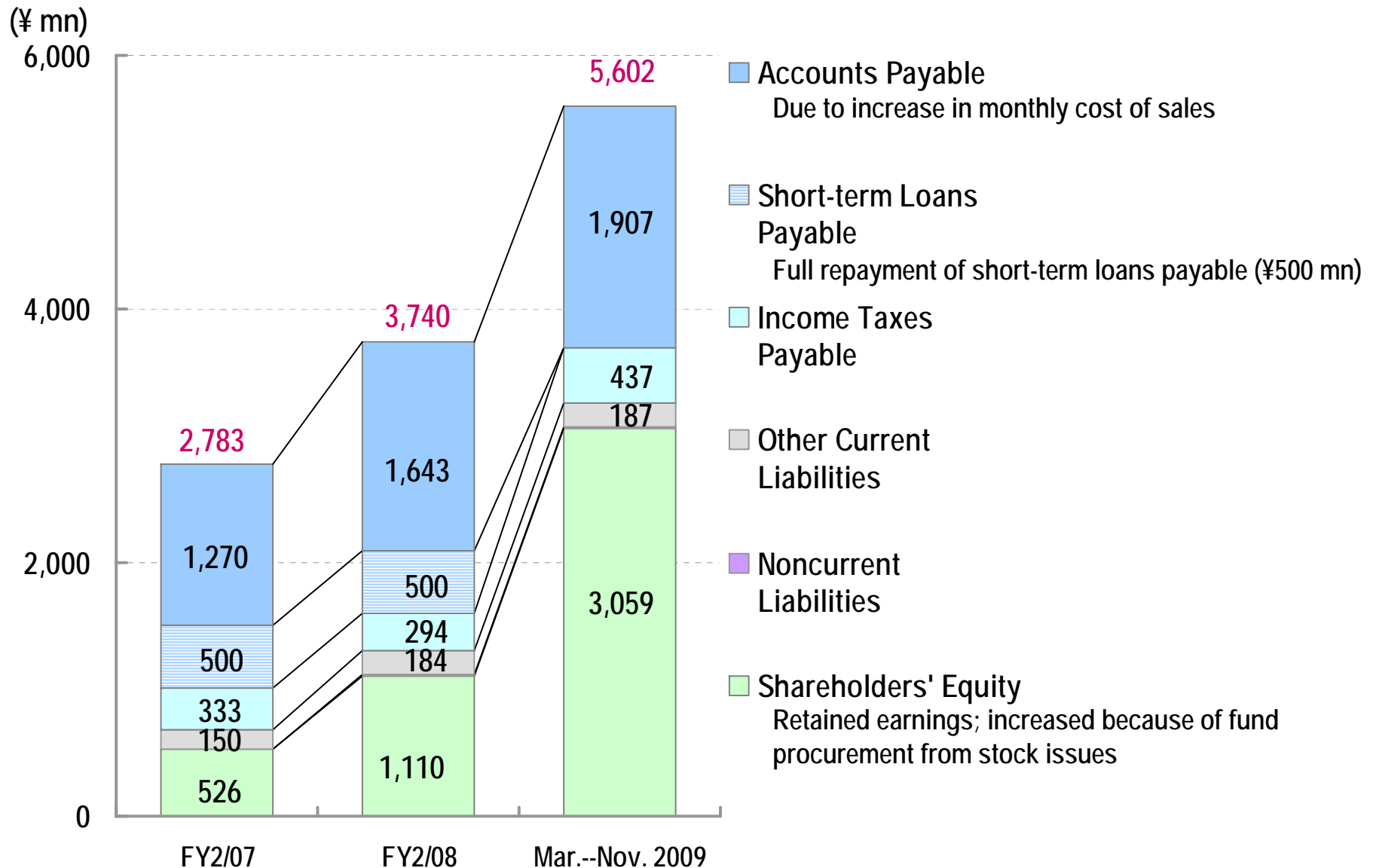
Operating Income



Financial Position: Assets

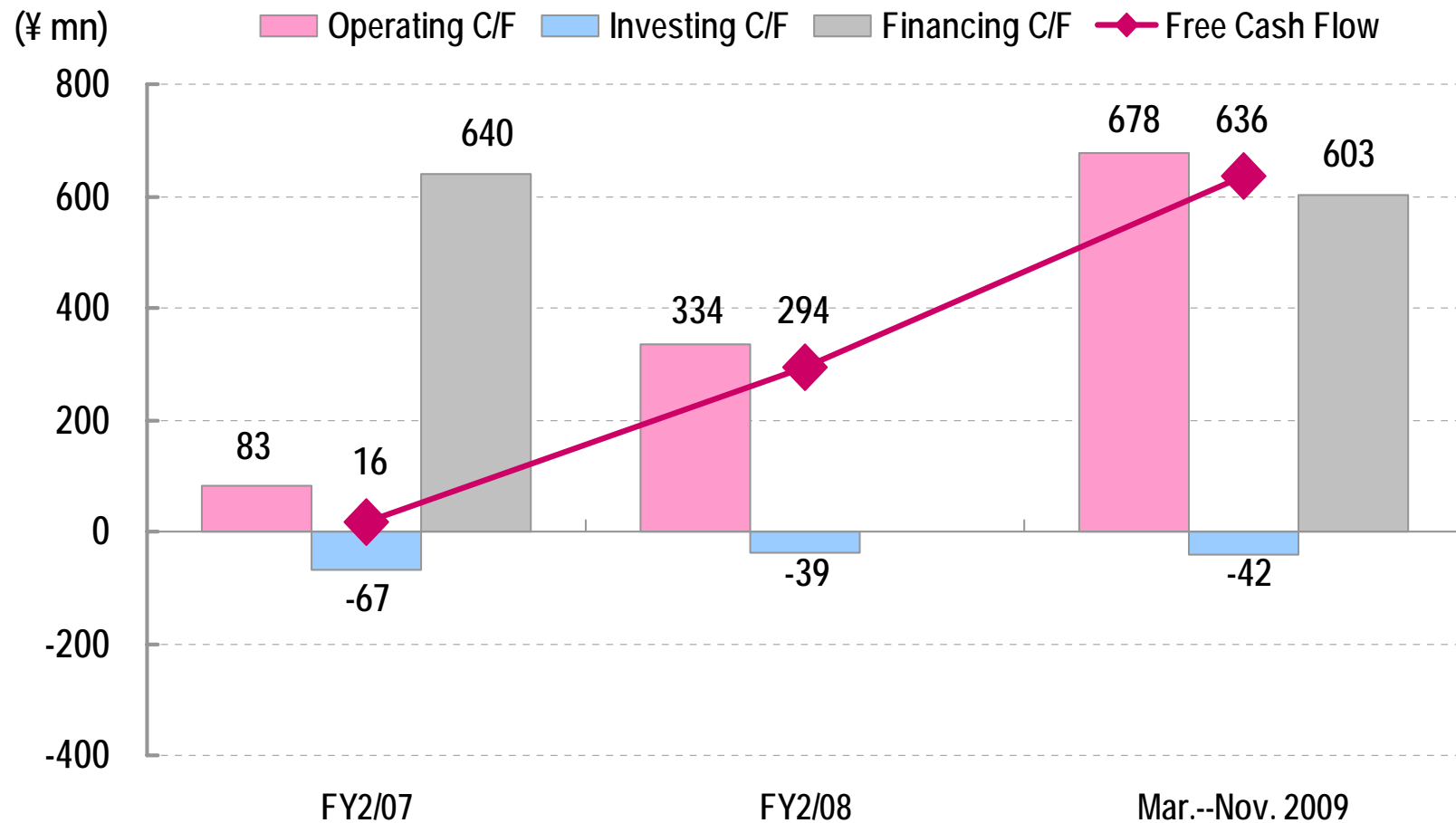


Financial Position: Liabilities and Net Assets Tri-Stage



Cash Flows

Sharp increase in free cash flow



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

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FY2/09 Full Year Forecasts



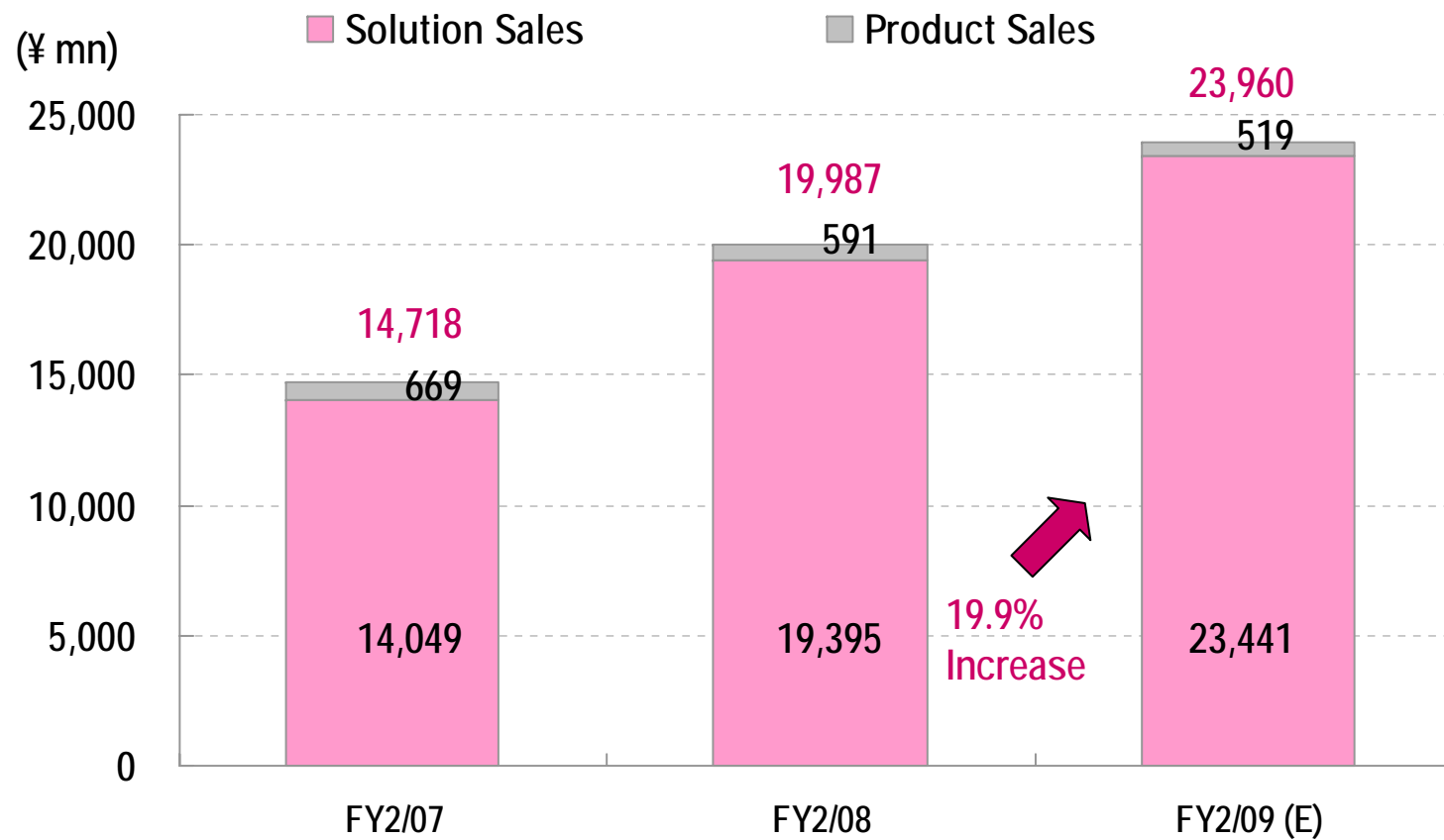
Good progress toward achieving full-year earnings forecasts

(Units: ¥ mn; %)

	FY2/08 (Actual)	Mar.–Nov. 2009 (Actual)	Progress Rate	FY2/09 (E)	YoY Change
Net Sales	19,987	18,296	76.4	23,960	+19.9
Gross Profit	1,808	2,191	80.1	2,735	+ 51.2
Gross Profit Margin	9.1	12.0	-	11.4	-
Operating Income	1,045	1,486	90.5	1,642	+57.2
Operating Margin	5.2	8.1	-	6.9	-
Ordinary Income	1,039	1,458	90.3	1,613	+55.3
Ordinary Income Margin	5.2	8.0	-	6.7	-
Net Income	584	845	90.2	937	+60.4
Net Income Margin	2.9	4.6	-	3.9	-
Net Income Per Share	266.96	364.90	-	397.30	-

Sales Forecast by Segment

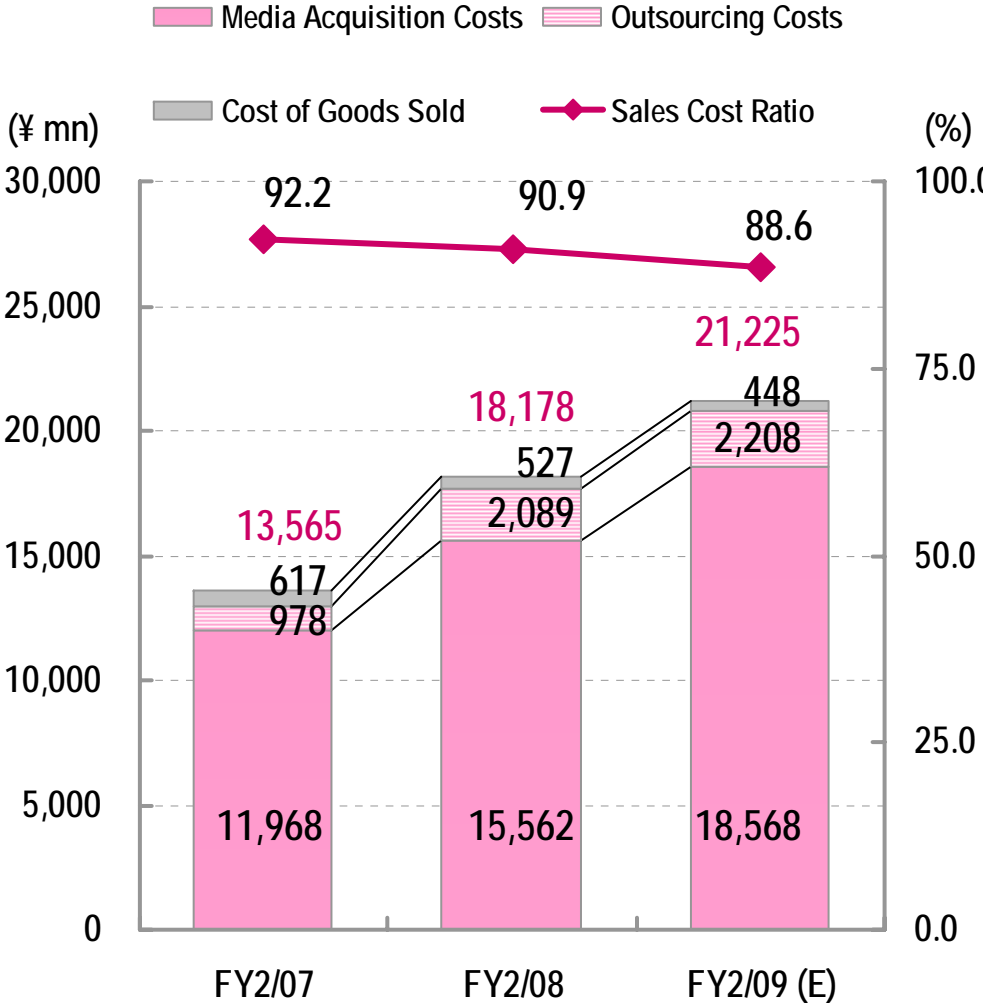
Revenue forecast to rise 19.9% YoY by continuing sales growth



Cost of Sales Forecast



Cost of Sales

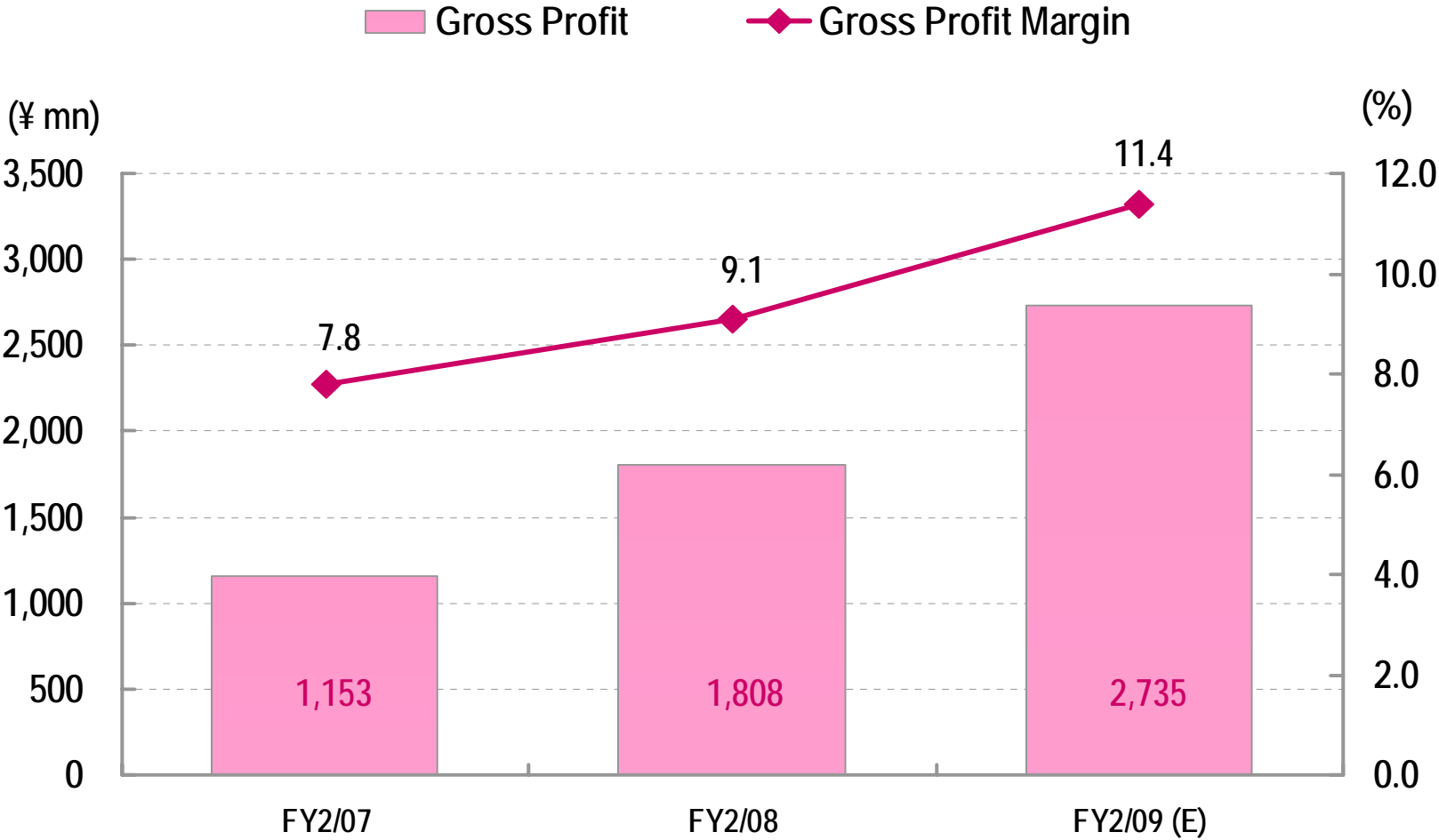


- Media Acquisition Costs**
 - Up 19.3% YoY
 - Increased purchases for existing and new client companies
 - Lower growth rate due to revised purchasing costs
- Outsourcing Costs**
 - Up 5.7% YoY
 - Expansion of call center services to client companies
- Cost of Goods Sold**
 - Down 14.9% YoY
 - No aggressive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

Gross Profit Forecast

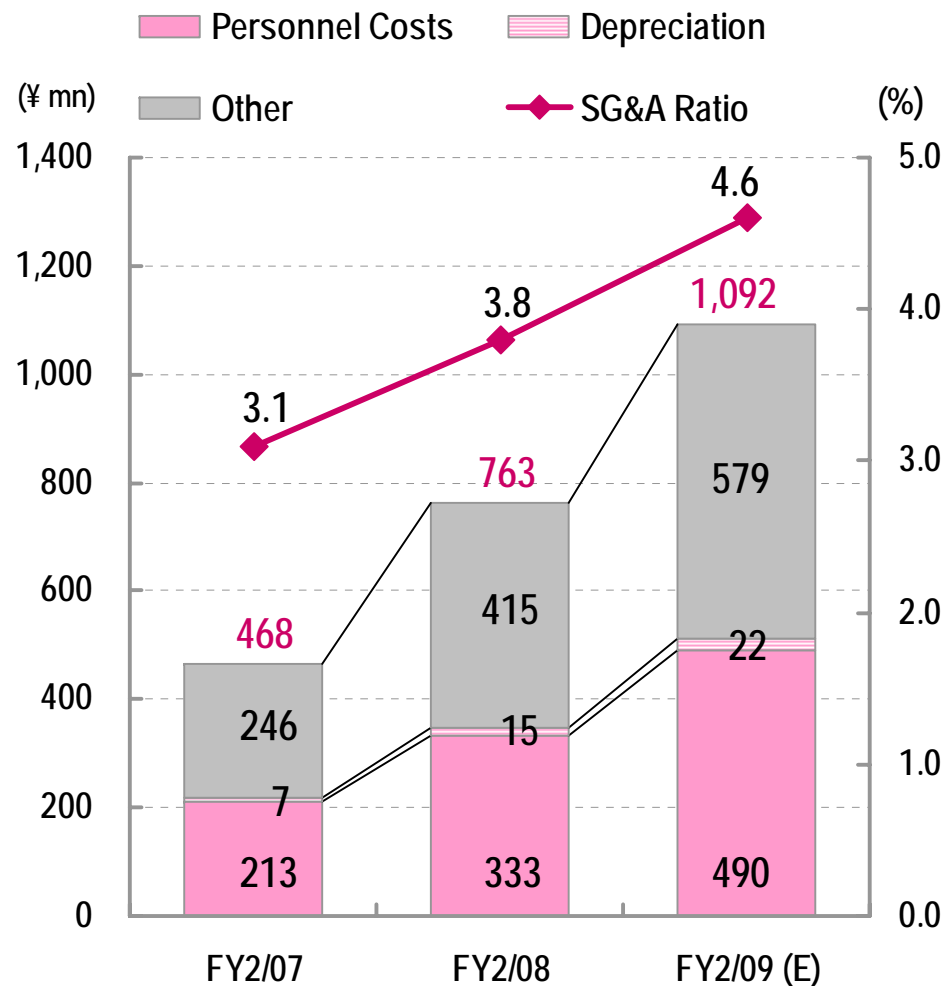


Gross profit forecast to rise 51.2% YoY



SG&A Expenses Forecast

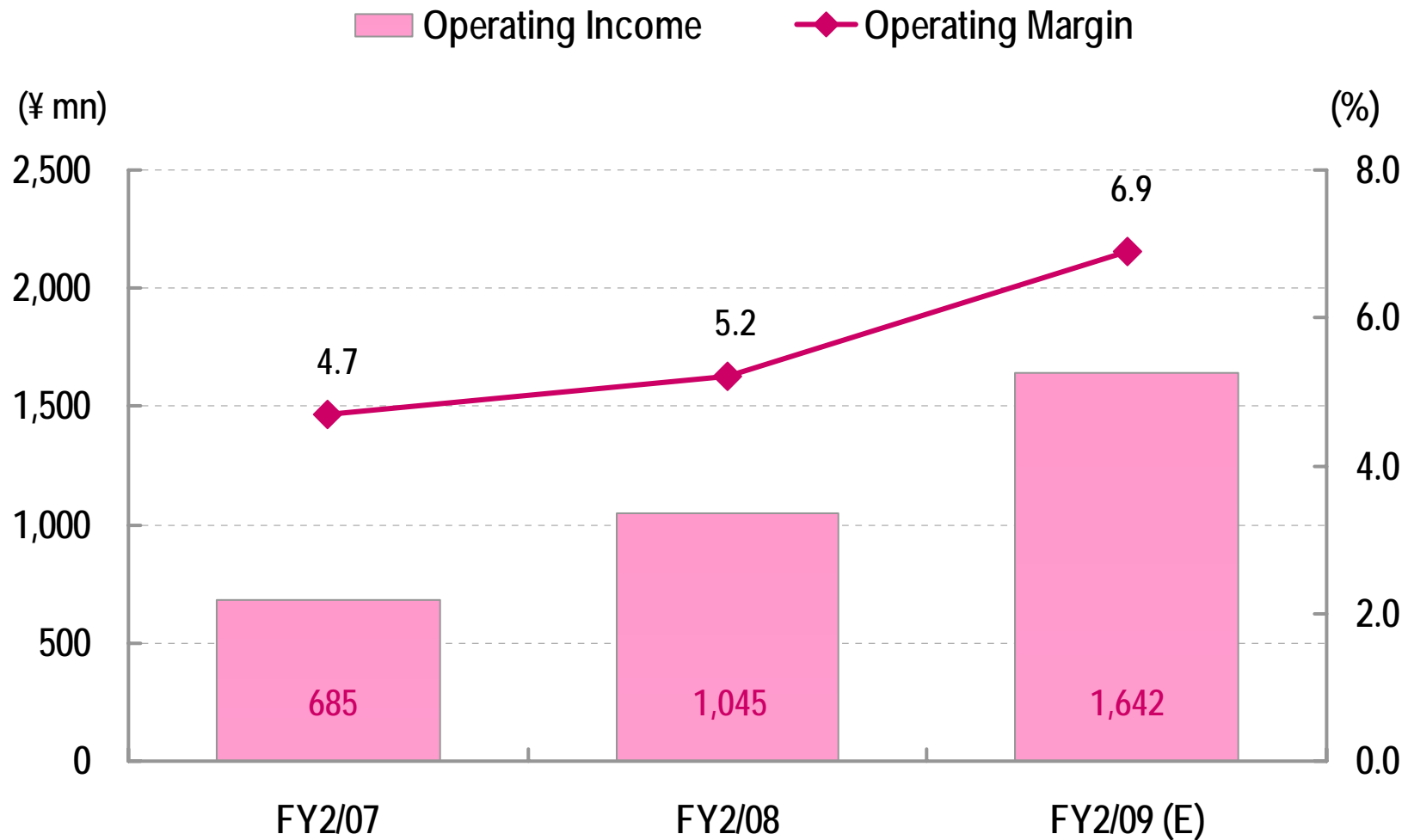
SG&A Expenses



- Personnel Costs
 - Up 47.2% YoY
 - Planned increase of 15 employees in sales, media purchasing, and call center staff
- Other
 - Up 39.5% YoY
 - Greater overhead due to personnel increase
 - Increased lease fees due to floor space expansion

Operating Income Forecast

Operating income forecast to rise 57.2% YoY



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Results by Quarter

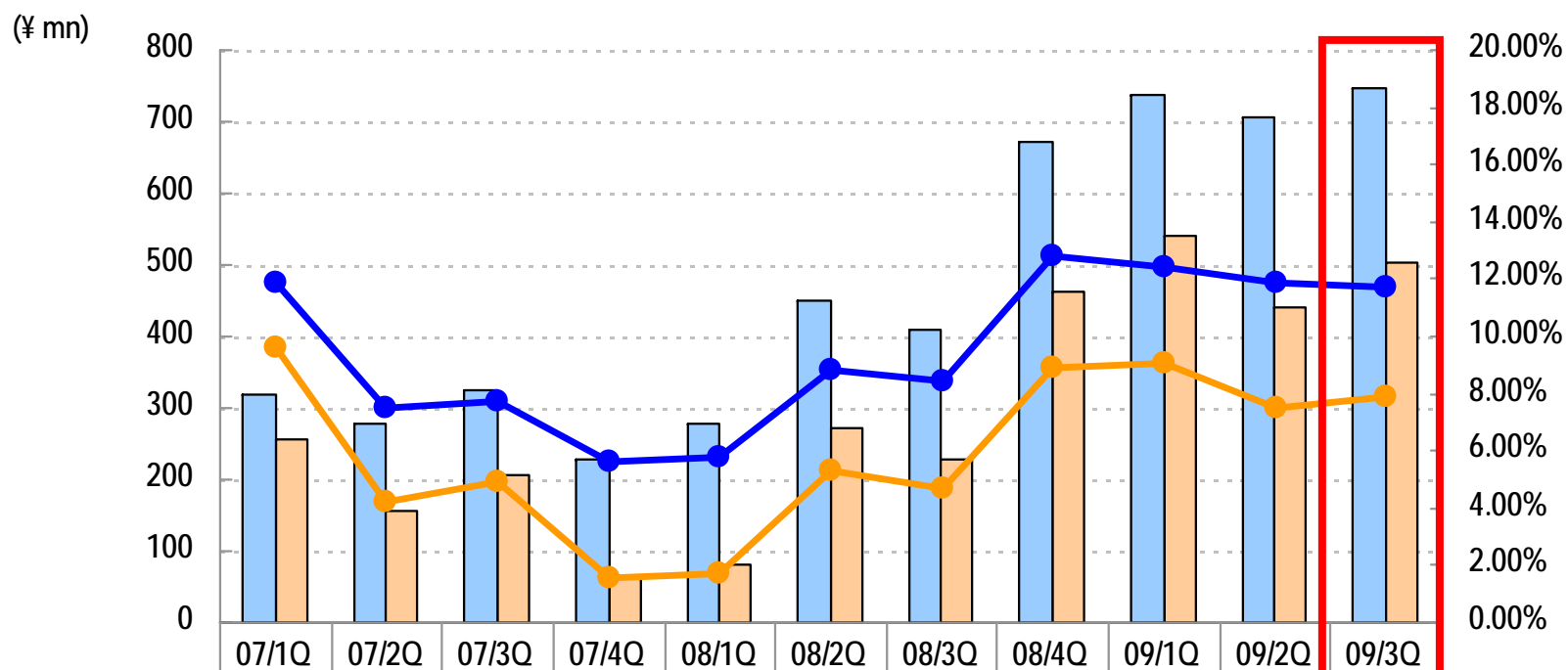






Sales growing on a quarterly basis



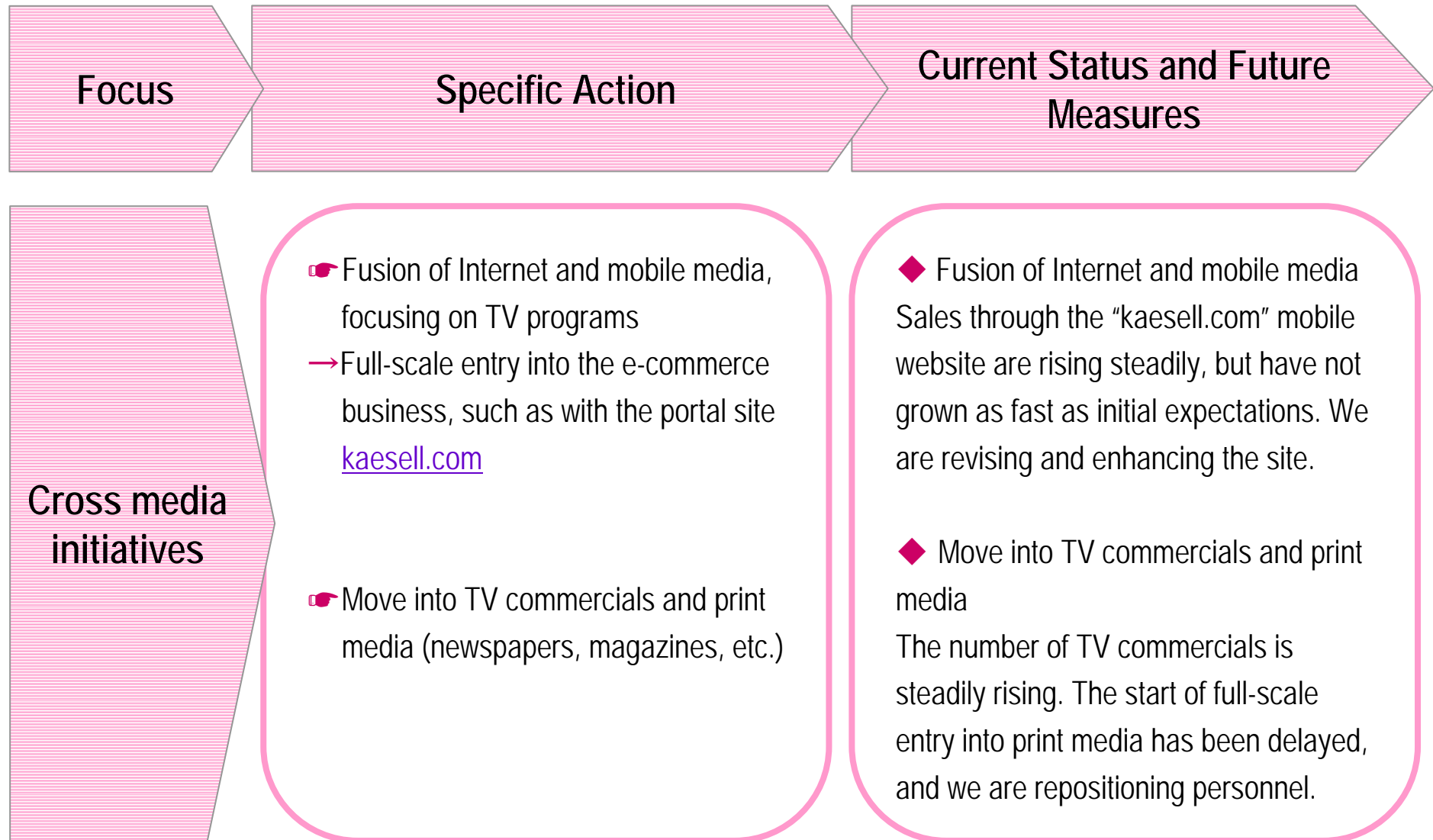
Results by Quarter

Earnings growth strong on quarterly basis

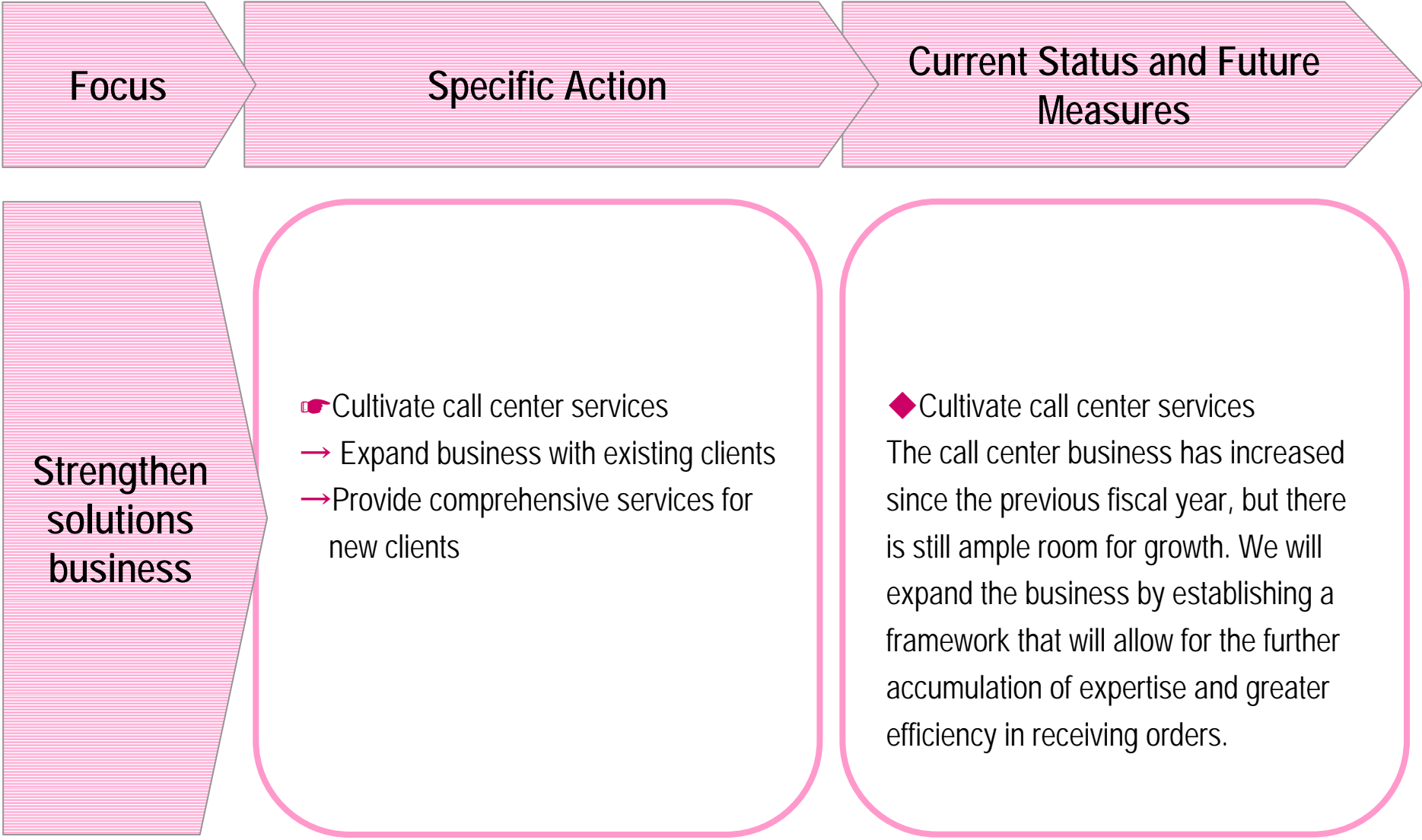


 Gross Profit	318	279	325	229	277	449	409	672	738	705	748
 Operating Income	257	156	207	64	80	271	228	464	540	441	504
 Gross Profit Margin	11.9%	7.5%	7.7%	5.6%	5.8%	8.8%	8.4%	12.8%	12.4%	11.9%	11.7%
 Operating Margin	9.6%	4.2%	4.9%	1.6%	1.7%	5.3%	4.7%	8.9%	9.1%	7.5%	7.9%

Future Measures and Current Status



Future Measures and Current Status



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Company Profile

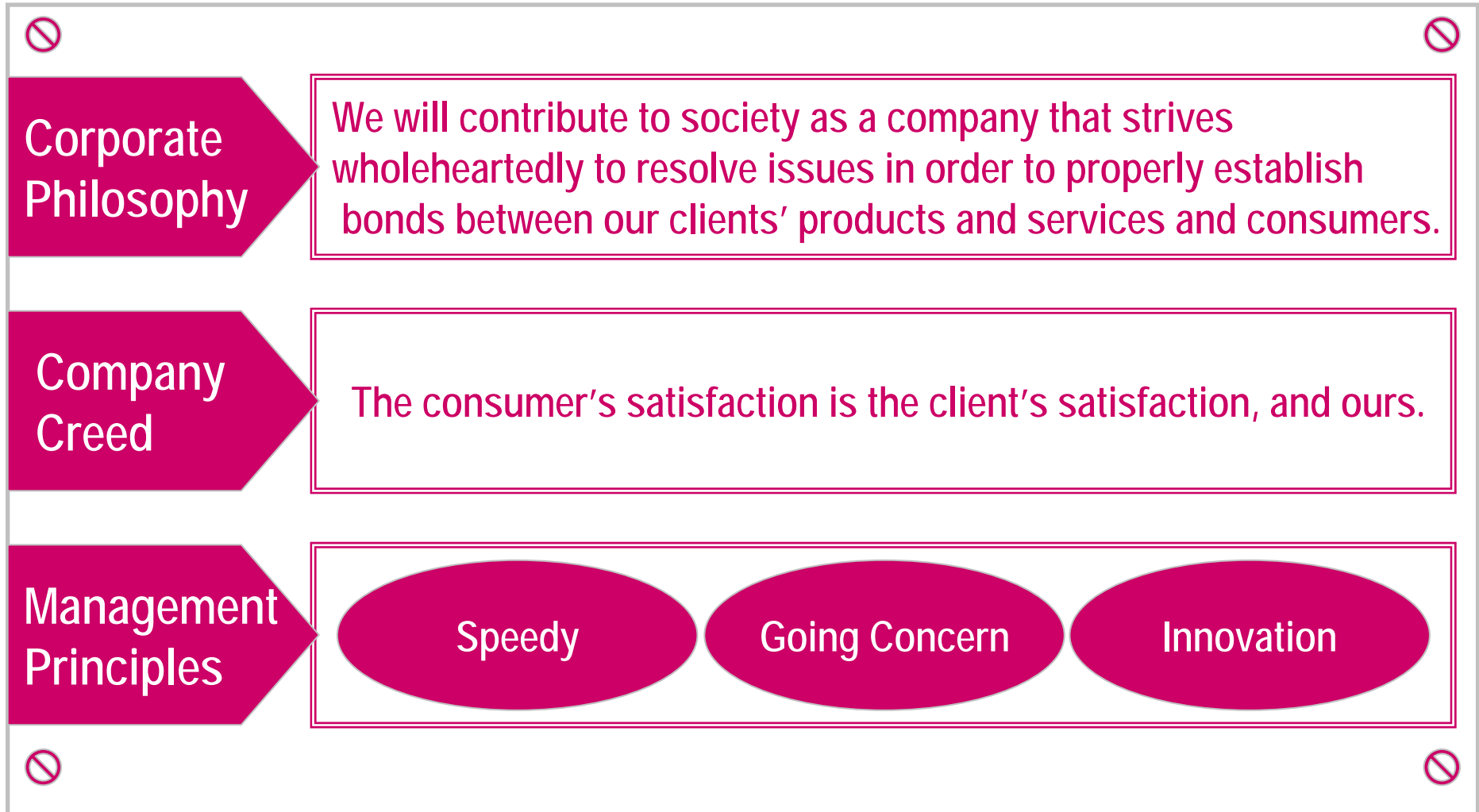


- Established March 2006
- Head Office 2-4-1, Shiba-koen, Minato-ku, Tokyo
- Representatives Isao Senoo (CEO); Kyohei Nakamura (CMO); Akio Maruta (COO)
- Business Content Support services for direct marketing, centered on television shopping sales
- Capital ¥627 million (As of November 30, 2008)
- Shares Issued 2,489,276 shares (As of November 30, 2008)
(Excluding treasury stock)
- No. of Employees 44 (As of November 30, 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.

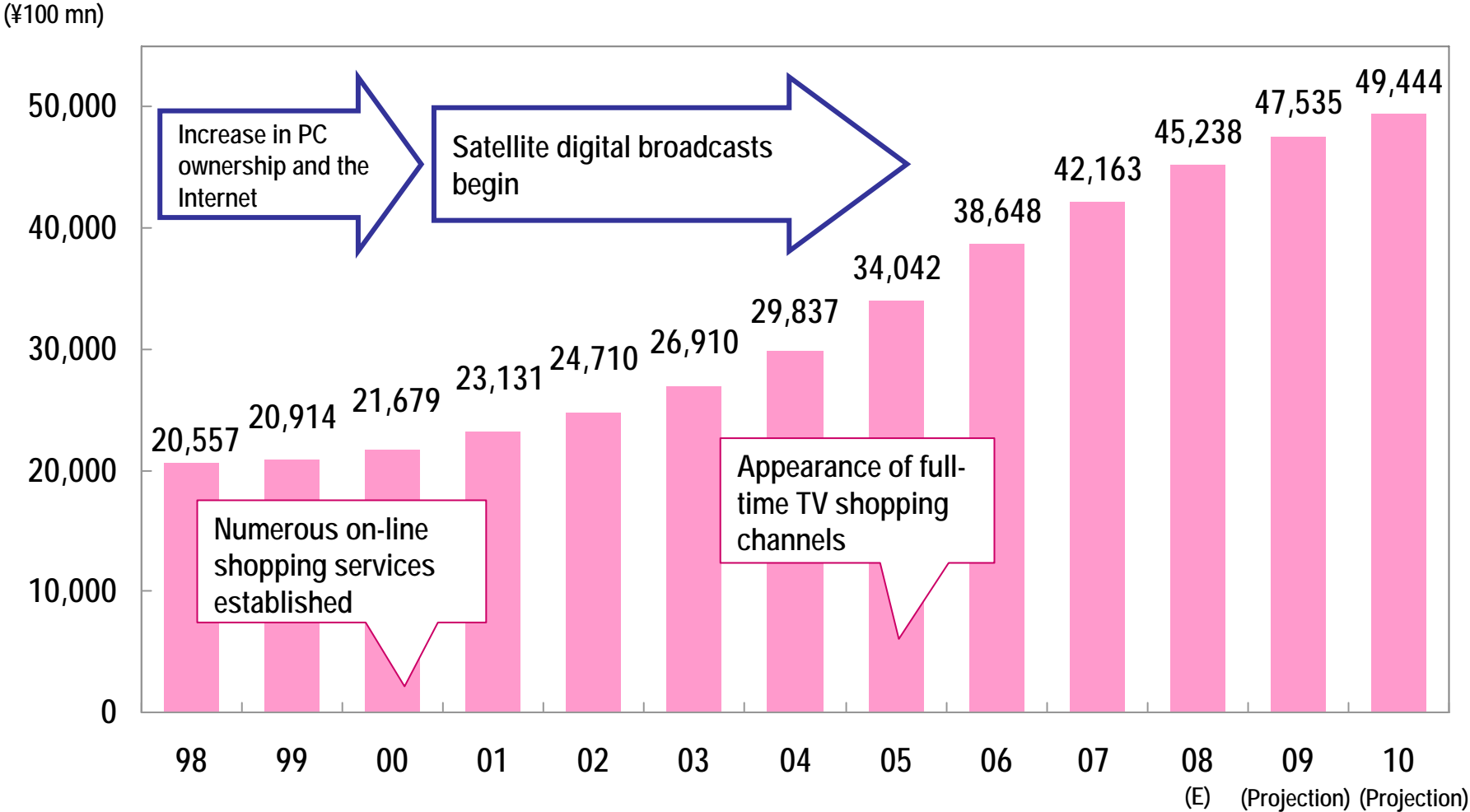
Philosophy, Creed and Management Principles Tri-Stage



Direct Marketing (Merchandise) Trends



Direct marketing (Merchandise) — ¥4.5 trillion market in FY2008

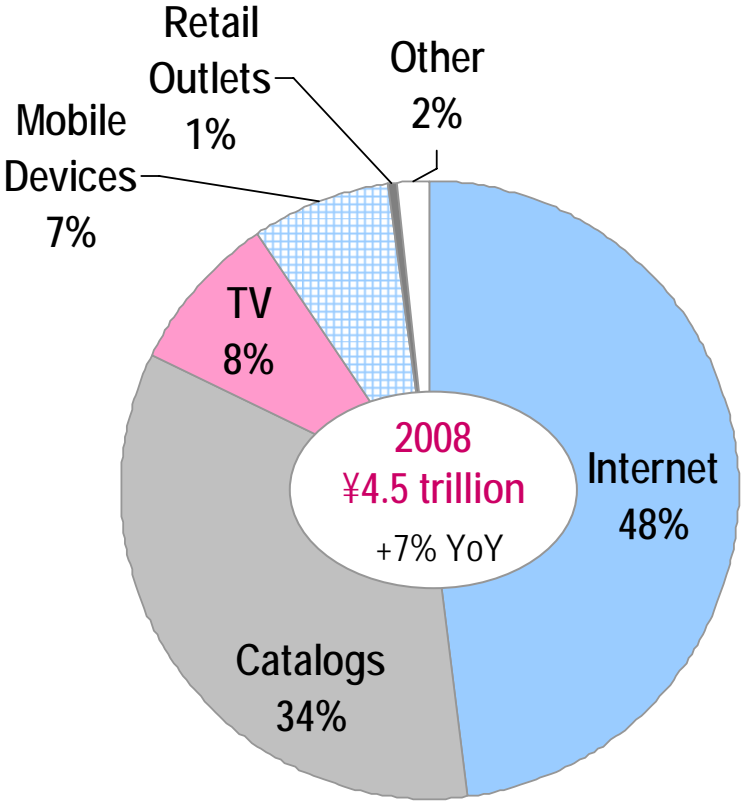


Source: Fuji-Keizai, *Mail Order and e-Commerce Business 2008-2009: Current Status and Future*, November 2008

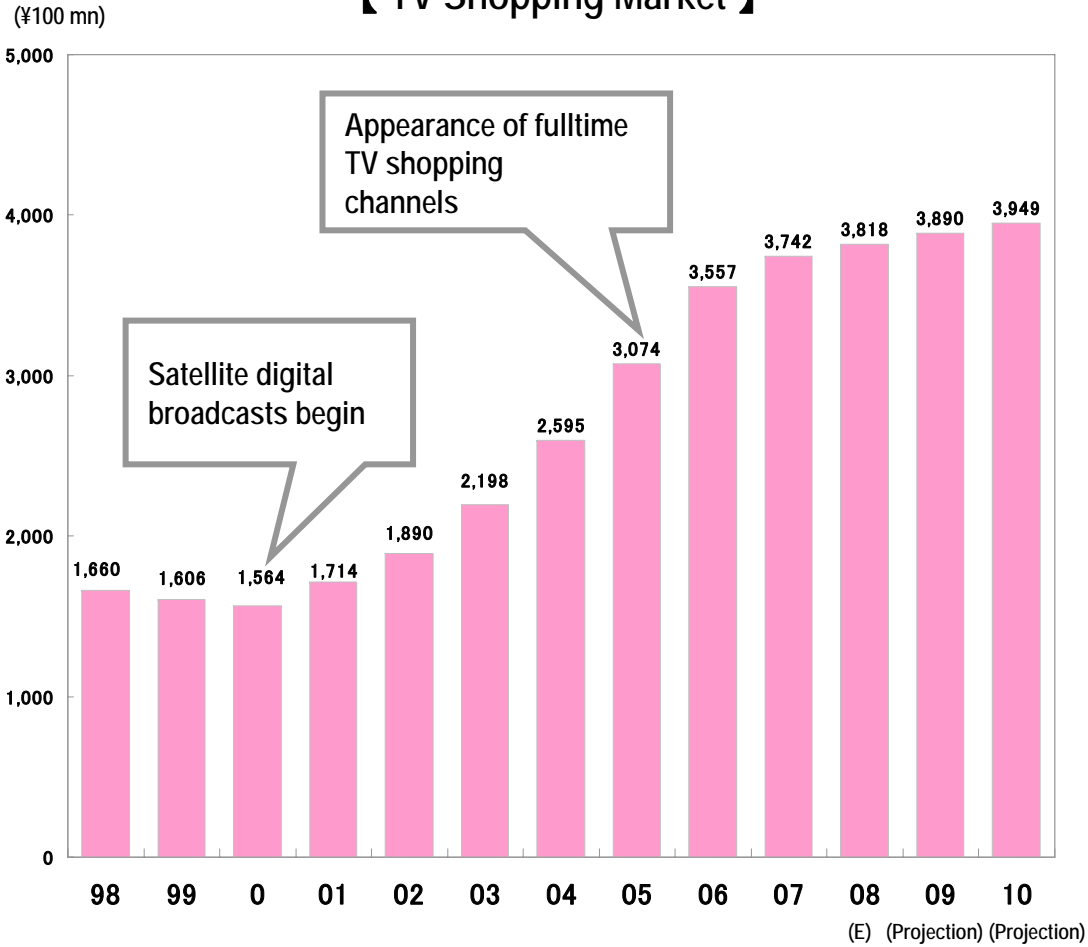
Direct Marketing Trends

Sales through Internet, TV and mobile devices growing

【 Market Share by Media Type 】



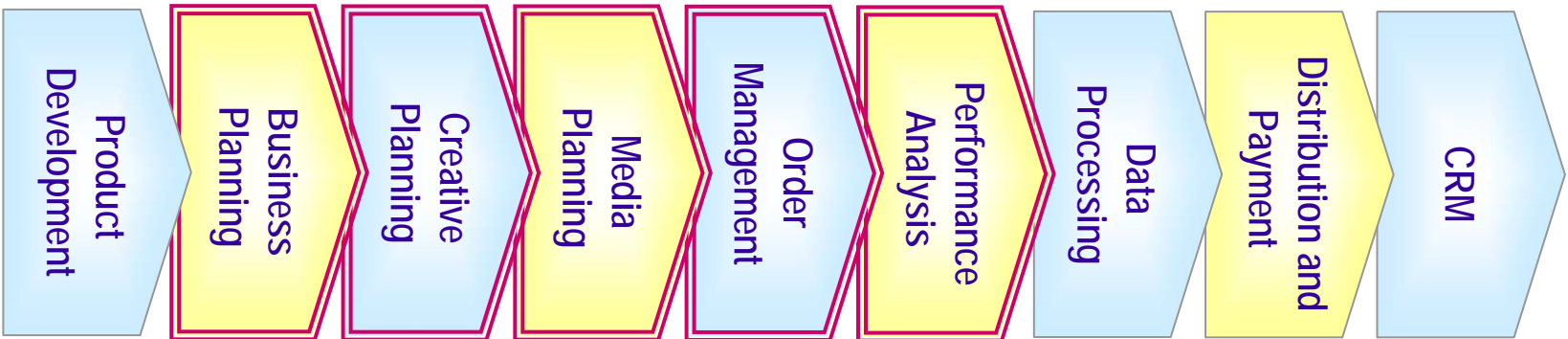
【 TV Shopping Market 】



Source: Fuji-Keizai, *Mail Order and e-Commerce Business 2008-2009: Current Status and Future*, November 2008

Comprehensive suite of services for direct marketing

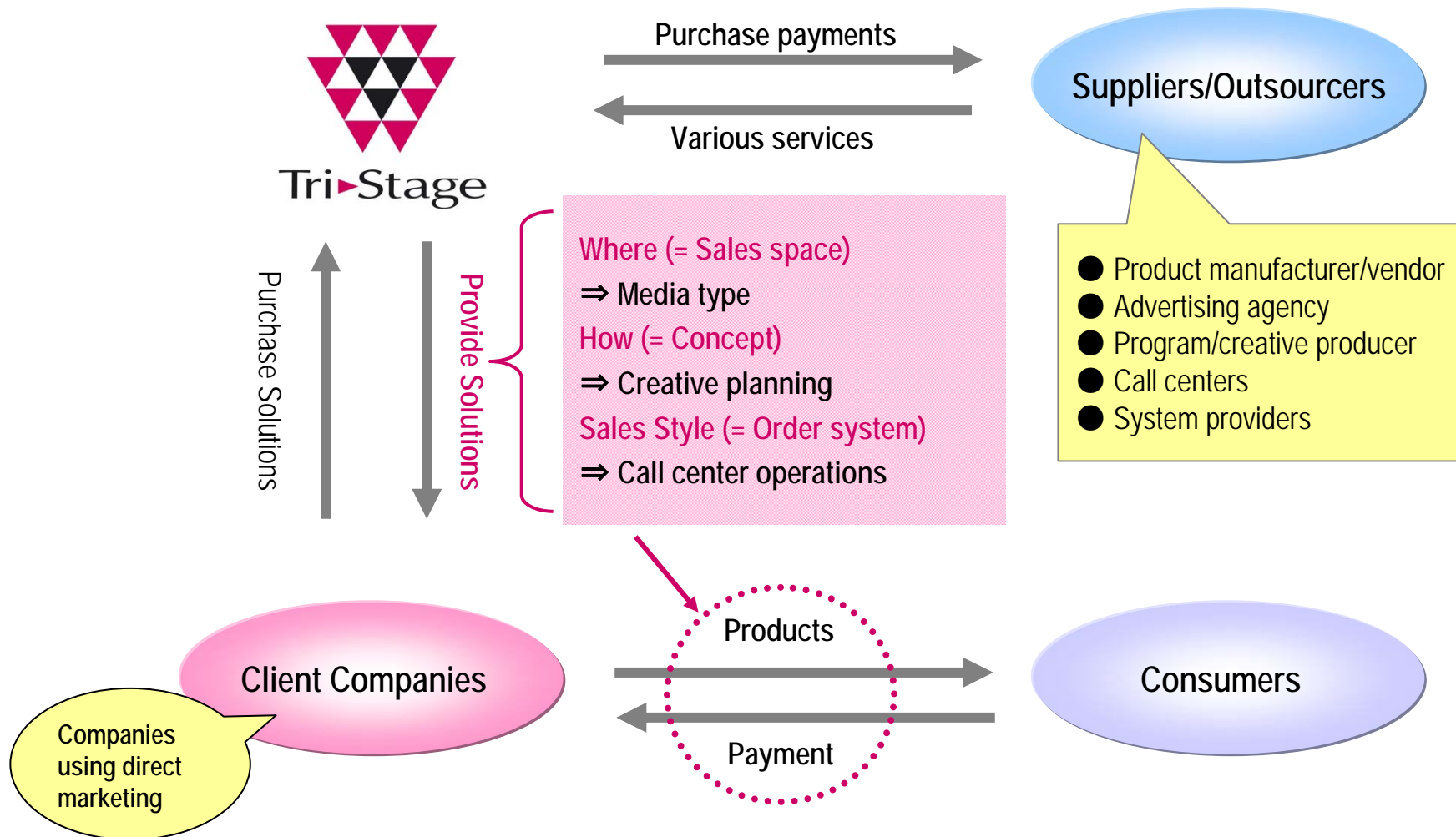
The direct marketing value chain



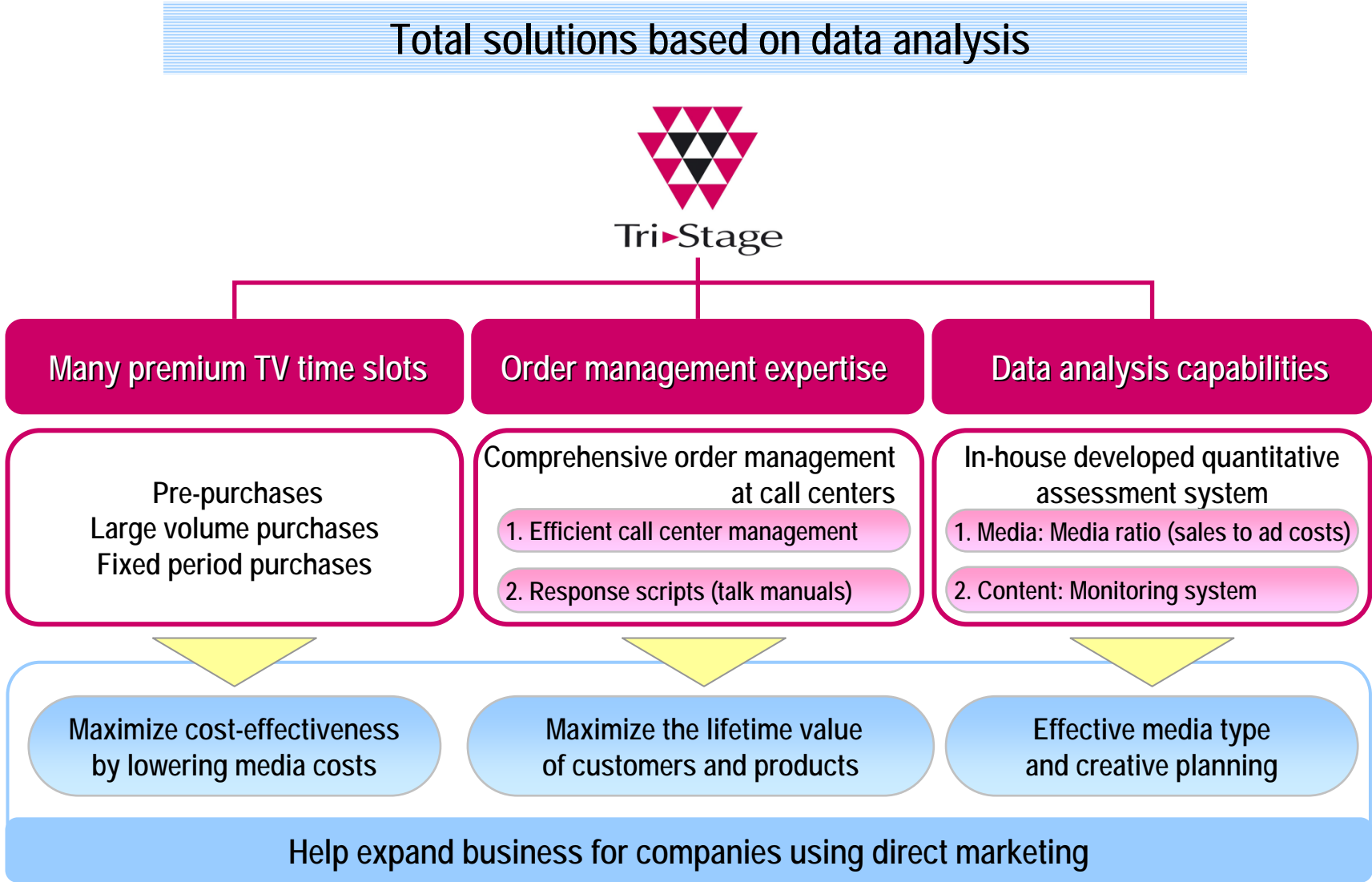
Example of Tri-Stage's Solutions Lineup

Tri-Stage's Business Model

Customer service utilizing independent strength



Source of Competitiveness (Strengths)



No. of Clients by Scale of Transaction



Increased scale of transactions with client companies

	FY2/08 1Q	FY2/08 2Q	FY2/08 3Q	FY2/08 4Q	FY2/09 1Q	FY2/09 2Q	FY2/09 3Q
Over ¥250 mn	5	4	4	6	6	6	7
¥125 mn– ¥250 mn	5	7	9	5	6	7	3
¥50 mn– ¥125 mn	8	6	5	7	4	6	10
Other	27	28	24	20	26	16	18
Total	45	45	42	38	42	35	38

Will the market for direct marketing continue to grow?

- Consumer behavior is shifting from external to internal consumption. Although the rate of growth in the market for direct marketing is sluggish, we expect it to expand steadily.
- 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.

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.