

eAccess Ltd. (9427)

**Results for Fiscal Year Ended 3/2012
(4/2011 ~ 3/2012)**



May 11, 2012

FY3/2012 Results & Outlook

Operational Highlights & Outlook

Platinum Band 700MHz

Appendix

FY3/2012 Results & Outlook

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Appendix

FY3/2012 Results & Outlook

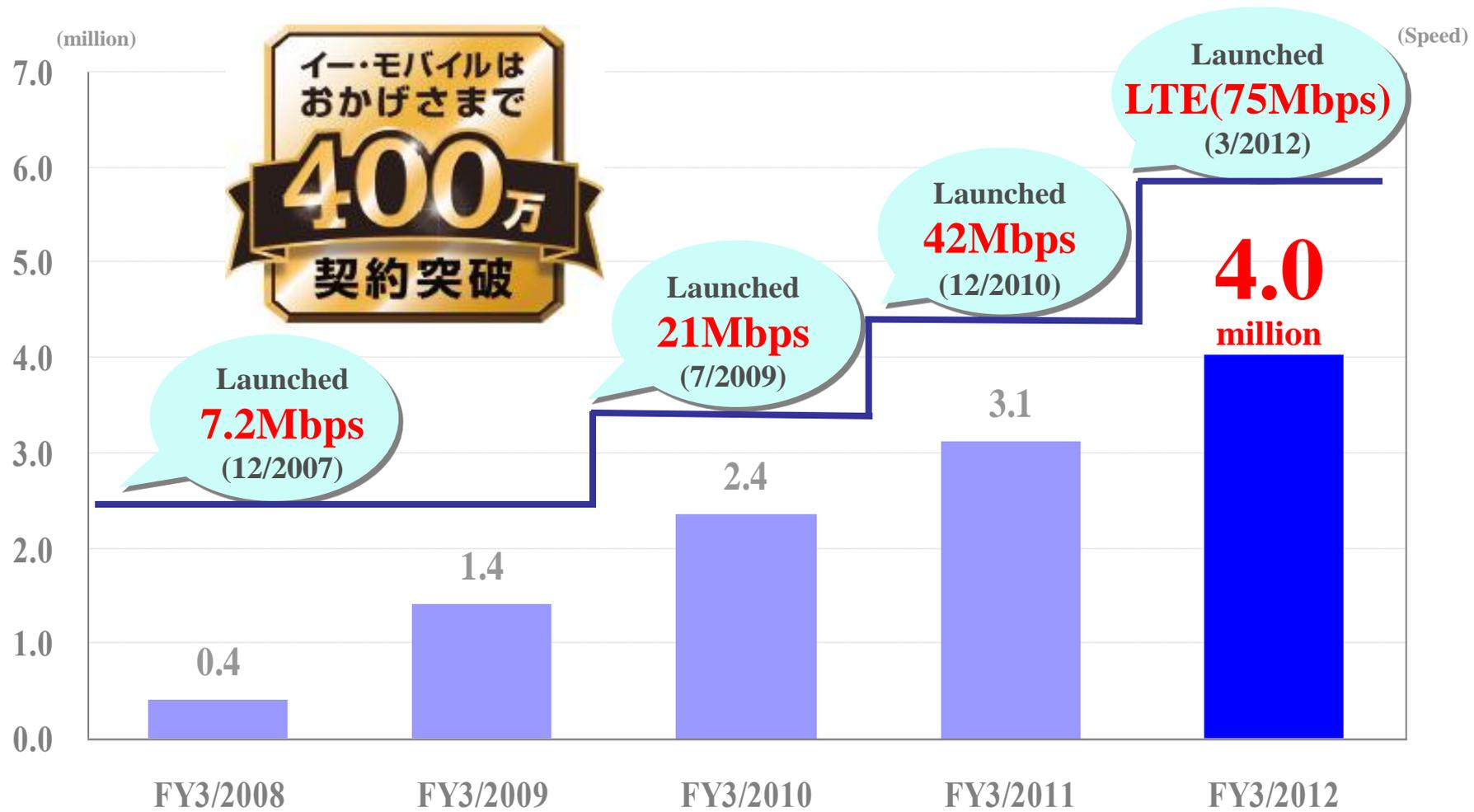
Achieved over 4 million mobile subscribers as of March 2012

Record high in operating profit and net income in FY3/2012

Expect higher top-line revenue growth of 22% and operating profit to renew record high in FY3/2013

Mobile Accumulated Subscribers

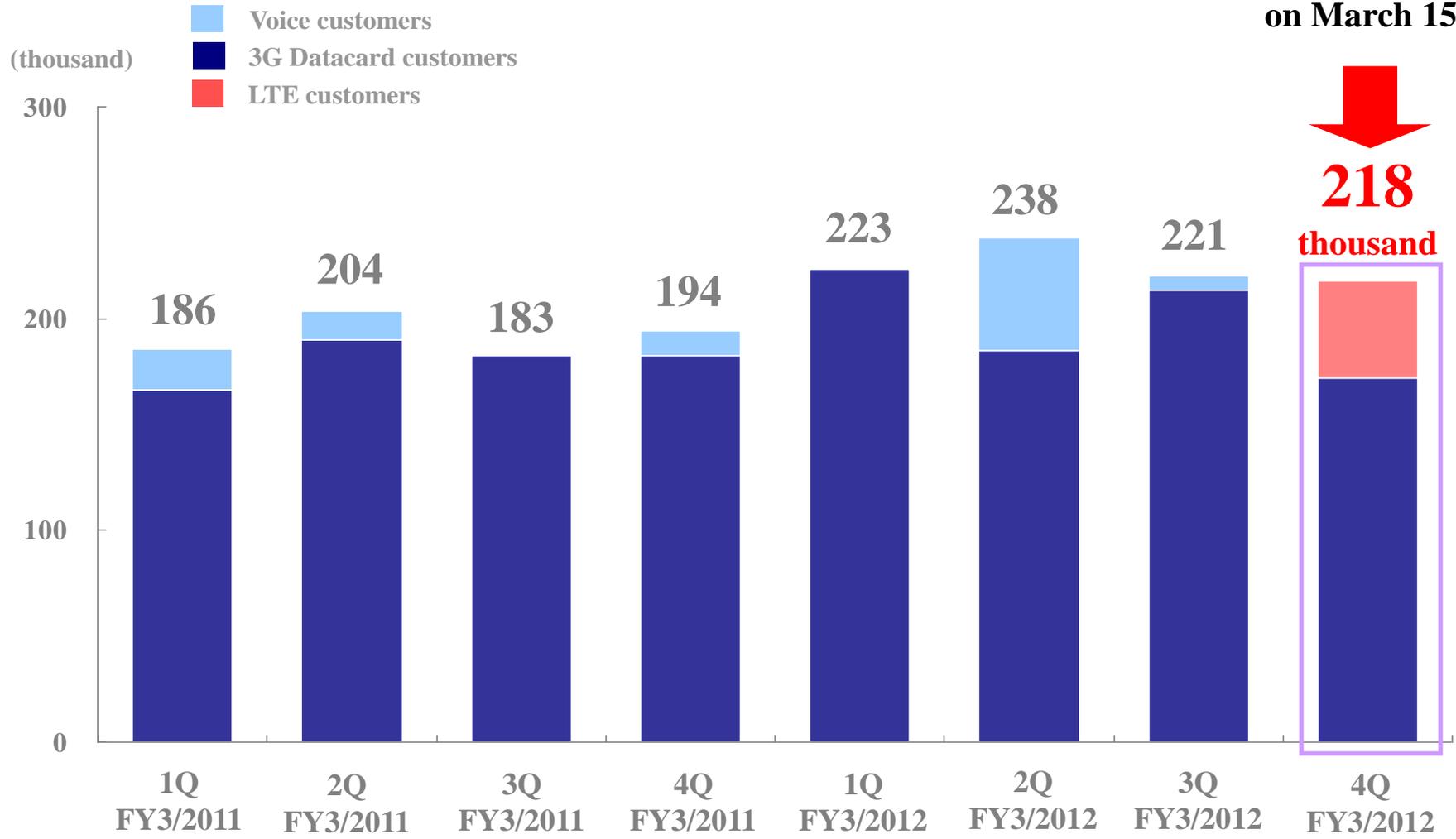
✓ Mobile subscriber hit over 4 million in March 2012, up 29% YoY



Quarterly Mobile Subscriber Trend

✓ Added 218,000 net addition in 4Q, up 12% YoY

**LTE launched
on March 15**



FY3/2012 Financial Results & Forecasts

✓ Achieved all-time record high in operating profit and net income in FY3/2012

	FY3/2010	FY3/2011	FY3/2012		FY3/2013
	(Actual)*	(Actual)*	(Actual)	YOY	(Forecast)
(billion yen)					
Revenue	83.1	181.5	204.7	+ 13%	250.0
Operating Profit	19.2	15.0	24.4	+ 63%	26.0
<i>Inventory valuation loss (non-cash)</i> ***	<i>- 1.5</i>	<i>- 9.5</i>	<i>- 0.2</i>	<i>- 98%</i>	<i>-</i>
Recurring Profit	10.8	5.1	12.2	+ 140%	15.0
<i>Extraordinary items (non-cash)</i>	<i>- 0.7</i>	<i>- 7.5</i>	<i>- 0.1</i>	<i>- 99%</i>	<i>-</i>
<i>Deferred income tax (non-cash)</i> **	<i>- 1.7</i>	<i>17.0</i>	<i>3.2</i>	<i>- 81%</i>	<i>-</i>
Net Income	4.1	14.6	15.2	+ 4%	13.5
EBITDA ***	26.6	58.3	62.5	+ 7%	66.0
CAPEX	4.0	40.9	33.2	- 19%	45.0
Depreciation	7.4	33.8	37.7	+ 11%	40.0
EPS (yen)	2,762	4,766	4,321	- 9%	3,843
<i>Ave. Shares Outstanding</i>	<i>1,440,640</i>	<i>3,026,971</i>	<i>3,464,940</i>	<i>+ 437,969</i>	<i>3,465,180</i>

* EMOBILE was an affiliate company of eAccess in FY3/2010 and became wholly owned subsidiary through share exchange in FY3/2011

** Deferred income tax expense in FY3/2011 and FY3/2012 resulted from the recognition of deferred tax assets by using the accumulated net operating losses inherited from EMOBILE at the merger

*** Non-cash valuation loss of inventory were recognized and recorded in cost of revenue, which were added back to EBITDA

FY3/2013 Financial Forecast (Pro-forma base)

- ✓ Expect higher top-line growth of 22% YoY in FY3/2013
- ✓ Expect to renew record high in operating profit

(billion yen)	FY3/2010	FY3/2011	FY3/2012	FY3/2013	
	(Pro-forma)*	(Pro-forma)*	(Actual)	(Forecast)	YOY
Revenue	176.5	195.4	204.7	250.0	+ 22%
Mobile	113.6	142.6	160.1	215.0	+ 34%
Fixed Line	82.8	70.9	44.7	35.0	- 22%
Operating Profit	11.8	19.2	24.4	26.0	+ 7%
Mobile	- 6.1	2.6	9.6	17.0	+ 77%
Fixed Line	19.0	17.4	14.8	9.0	- 39%
<i>Operating Margin</i>	7%	10%	12%	10%	- 2pts
EBITDA	44.5	64.5	62.5	66.0	+ 6%
Mobile	18.2	40.4	43.3	54.0	+ 25%
Fixed Line	26.5	24.2	19.2	12.0	- 38%
<i>EBITDA Margin</i>	25%	33%	31%	26%	- 5pts
Recurring Profit	0.6	8.9	12.2	15.0	+ 23%
Income tax expense	- 6.5	15.3	3.2	- 1.3	- 141%
Net Income	- 6.4	16.6	15.2	13.5 **	- 11%

* Pro-forma: As if eAccess and EMOBILE were 100% consolidated and inter-company transactions were allocated to each business segment

** Expected YoY decrease in net income is due to deferred income tax effect of 3.2 billion yen in FY3/2012

Cash Flows

- ✓ CAPEX declined 20% in FY3/2012 resulted in 377% increase in net free cash flow
- ✓ Expect CAPEX to rise 36% in FY3/2013 due to LTE related spending

(billion yen)	FY3/2010	FY3/2011	FY3/2012		FY3/2013	
	(Pro-forma)	(Pro-forma)	(Actual)	YOY	(Forecast)	YOY
EBITDA	44.5	64.5	62.5	- 3%	66.0	+ 6%
CAPEX	- 55.5	- 41.4	- 33.2	- 20%	- 45.0	+ 36%
Operating FCF	- 11.0	23.1	29.3	+ 27%	21.0	- 28%
Interest	- 9.1	- 8.6	- 10.2	+ 19%	- 9.5	- 7%
Tax*	- 3.6	- 5.5	+ 2.5	-	- 1.5	-
Dividend**	- 3.6	- 5.1	- 3.0	- 41%	- 3.0	0%
Net FCF	- 27.3	3.9	18.6	+ 377%	7.0	- 62%

* FY3/2012 includes tax refund of 2.5 billion yen

** FY3/2011 includes special dividend of 1,800 yen

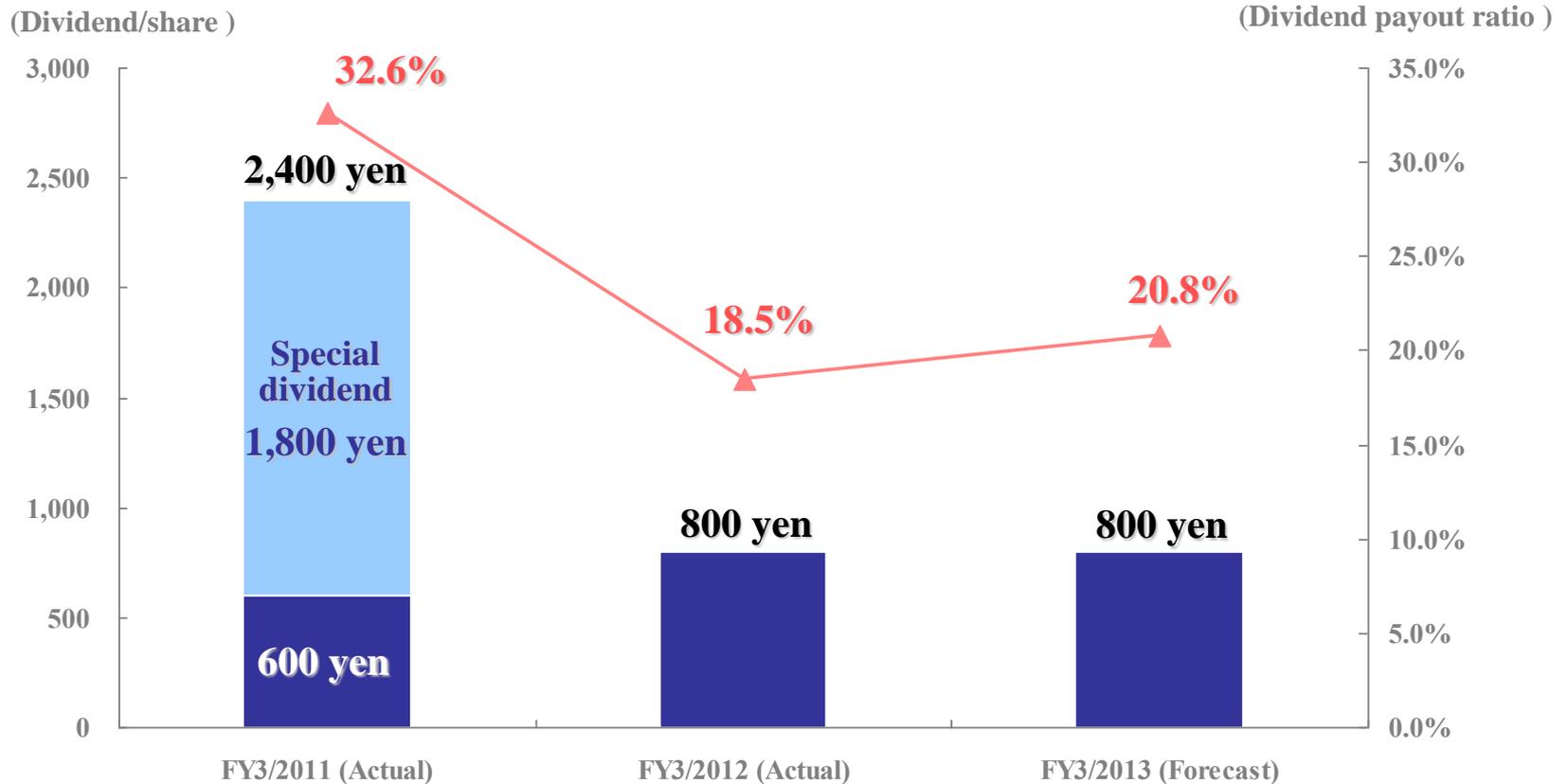
Balance Sheet

- ✓ Net debt declined 8% in FY3/2012
- ✓ Expect net debt to decline 7% in FY3/2013 with declining leverage ratio

	(billion yen)		FY3/2010		FY3/2011		FY3/2012		FY3/2013	
	(Pro-forma)	(Pro-forma)	(Actual)	YOY	(Forecast)	YOY				
Cash	75.4	47.1	40.1	- 15%	39.0	- 3%				
Debt	299.2	249.7	226.3	- 9%	212.0	- 6%				
Net Debt	223.8	202.6	186.3	- 8%	173.0	- 7%				
Net Assets	40.6	73.0	86.4	+ 18%	96.9	+ 12%				
Net Debt/Net Assets	5.51X	2.77X	2.16X	-	1.79X	-				
EBITDA	44.5	64.5	62.5	- 3%	66.0	+ 6%				
Net Debt/EBITDA	5.03X	3.14X	2.98X	-	2.48X	-				

Shareholders Return

- ✓ **Maintain the same level of dividend at 200 yen per share per quarter with a total of 800 yen per share per annum in FY3/2013**



EPS	4,766 yen	4,321 yen	3,843 yen
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* Consolidated base for FY3/2011

FY3/2012 Results & Outlook

Operational Highlights & Outlook

Platinum Band 700MHz

Appendix

Operational Highlights and Outlook

Improvement in mobile churn in 4Q FY3/2012

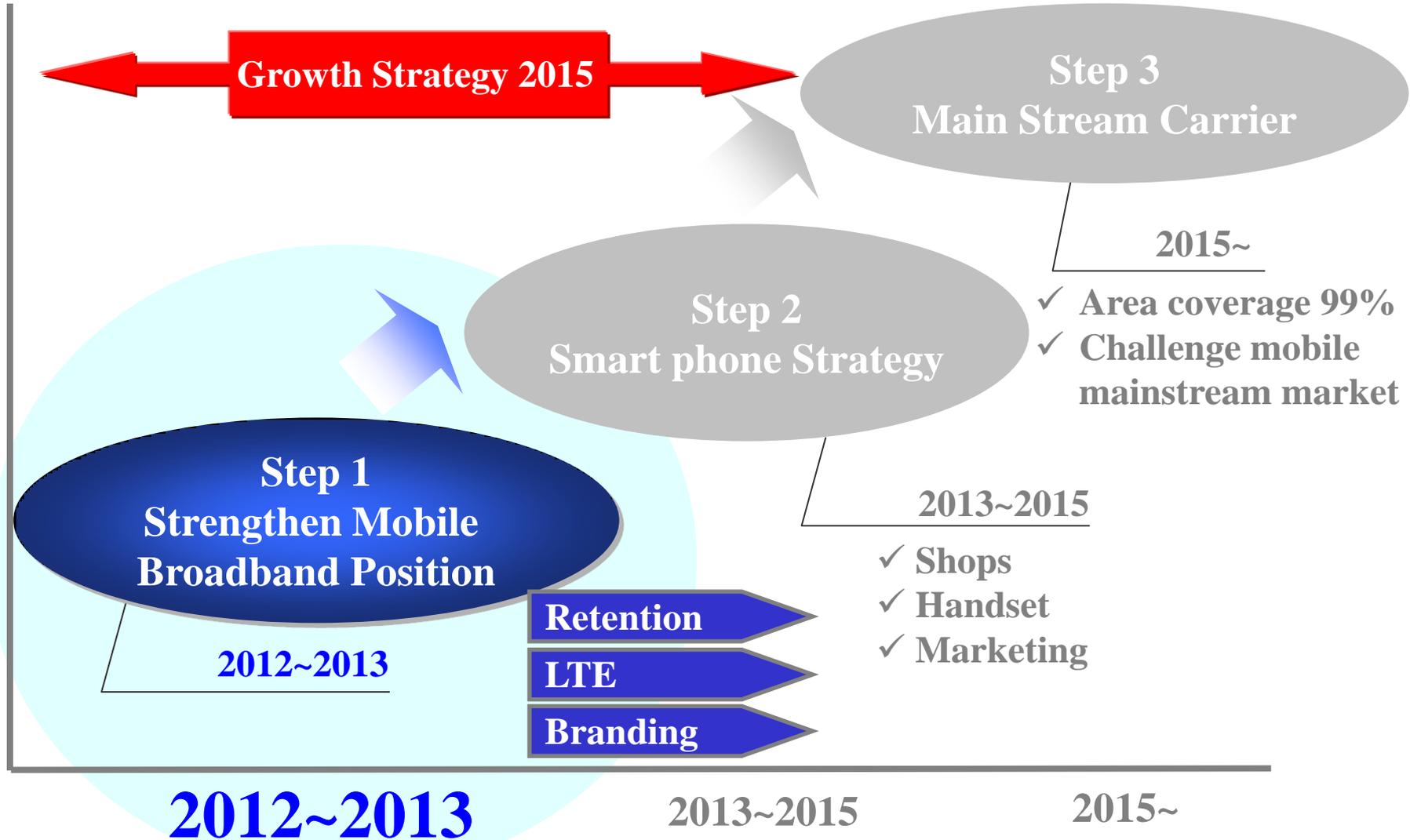
Expect mobile ARPU recovery in FY3/2013

Launched EMOBILE LTE on March 15, 2012

Growth Strategy

Step 1 ~ Strengthen Mobile Broadband Position ~

Subscribers/Revenue



Operational KPI

- ✓ Expect mobile ARPU recovery to 2,800 yen in FY3/2013
- ✓ Higher churn is expected in FY3/2013 from MVNO channels

		FY3/2011 (Actual)	FY3/2012 (Actual)	FY3/2013 (Forecast)
Mobile	Subscribers	3,117,900	4,017,000	4,500,000
	ARPU (yen)	3,160	2,740	2,800
	Monthly churn rate	1.38%	1.50%	1.60%
	SAC (yen)*	25,000	25,000	30,000
	SAC/ARPU (month)	7.9	9.1	10.7
<hr/>				
ADSL	Subscribers	1,928,000	1,565,000	1,200,000
	ARPU (yen)	1,961	2,001	2,000
	Monthly churn rate	2.03%	2.12%	2.40%
	SAC (yen)*	8,000	7,000	6,500
	SAC/ARPU (Month)	4.1	3.5	3.3

* SAC stands for per subscriber acquisition cost

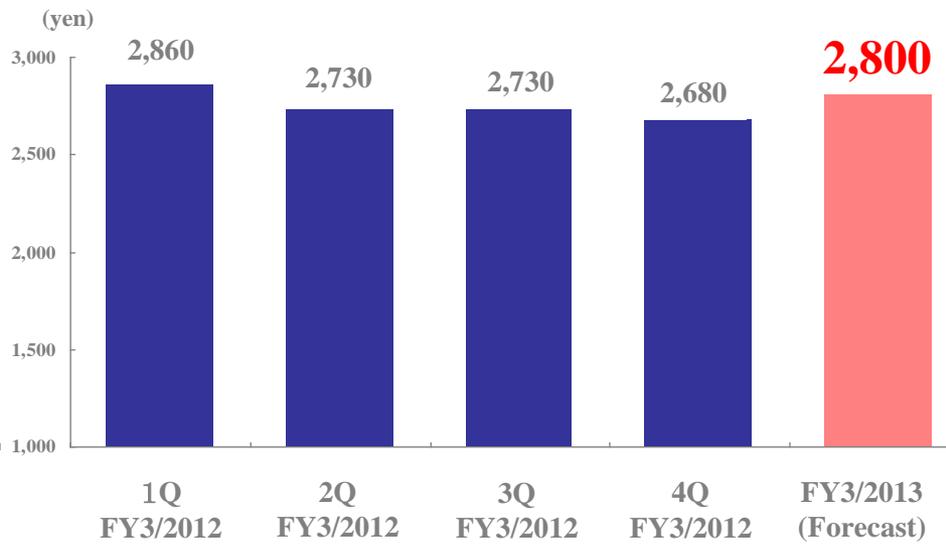
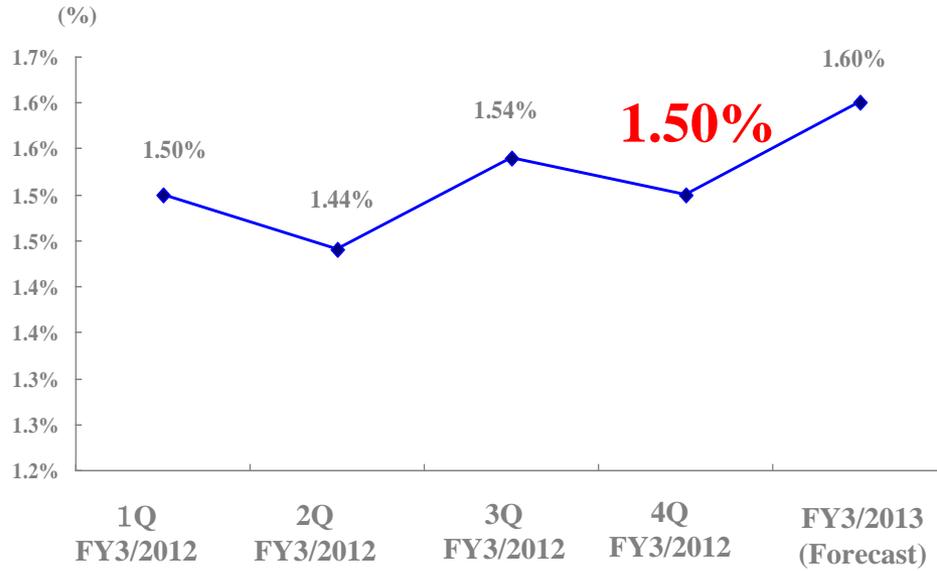
** Figures in this page are rounded and provided for reference purposes

Quarterly Churn and ARPU Trend

- ✓ Mobile average monthly churn improved in 4Q FY3/2012 but expect to rise in FY3/2013 due to expectations of higher MVNO churn
- ✓ Expect ARPU recovery in FY3/2013 with expectations of higher retail gross addition mix

Average Monthly Churn (Quarterly base)

Quarterly ARPU Trend



EMOBILE LTE

- ✓ Launched EMOBILE LTE on March 15, 2012
- ✓ Expect to complete 99% Tomeihan coverage by June 2012

EMOBILE LTE
3,880 yen*

Monthly Charge

Speed**

**Maximum downlink: 75Mbps
/ Maximum uplink: 25Mbps**

Coverage

	March 2012	June 2012	March 2013
<u>Tomeihan***</u>	51%	99%	99%
<u>Nationwide</u>	40%	50%	70%

* Ninen + Assist 1600 plan (discount 1,600 yen/month from the monthly charge of 5,480 yen)

** Connect 3.5th generation technology network outside of LTE network. Plan to set a usage cap at 10GB after May 2014

*** Based on MIC criteria

eAccess LTE Network

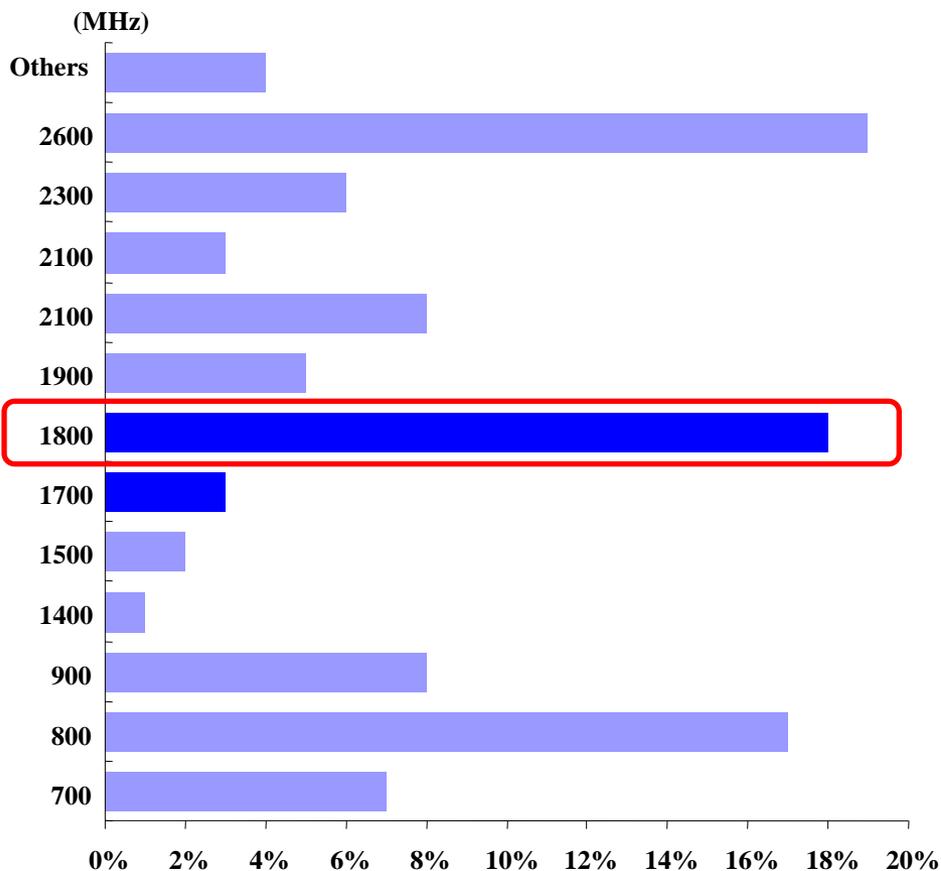
-  **World's first dual mode network with LTE (150Mbps) and DC-HSDPA (42Mbps) overlay**
-  **Network ready to handle 20MHz (Max. speed of 150Mbps)**
-  **Supported by 100% all high capacity all IP backbones**



Global Deployment of LTE

✓ **Approx. 23% of global operators are planning to deploy LTE in the same spectrum band as eAccess (the most widely used band for LTE globally)**

Spectrum band planned to be used for LTE



IMT band globally used

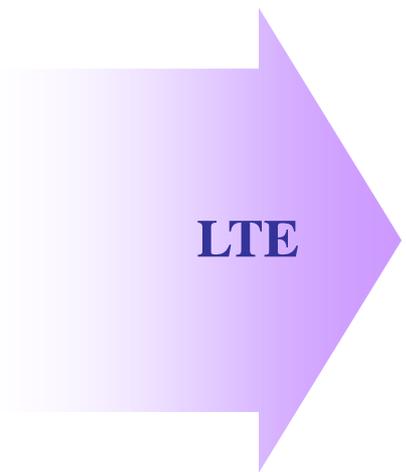
IMT band Band name	Widely used names	Frequencies (MHz)	
		Uplink	Downlink
1	IMT-2000 Core	1920 - 1980	2110 - 2170
2	PCS 1900	1850 - 1910	1930 - 1990
3	GSM 1800	1710 - 1785	1805 - 1880
4	Clinton Band AWS	1710 - 1755	2110 - 2155
5	850 (US)	824 - 849	869 - 894
6	850 (Japan)	830 - 840	875 - 885
7	IMT-extension	2500 - 2570	2620 - 2690
8	GSM 900	880 - 915	925 - 960
9	1700 (Japan)	1750 - 1785	1845 - 1880
10	Clinton Band AWS	1710 - 1770	2110 - 2170
11	UMTS 1500	1428 - 1453	1476 - 1501
12	US 700	698 - 716	728 - 746
13	US 700	776 - 788	746 - 758
14	US 700	788 - 798	758 - 768

Global deployment of LTE in 1800MHz

- ✓ 16 operators commercially launched LTE in 1800MHz, and 37 operators are preparing for LTE in 1800MHz



Evolution of Pocket WiFi



Technology	DC-HSDPA	Dual	LTE / DC-HSDPA
Usage Time	4.5 hours	2X	9 hours
Standby Time	140 hours	1.5 – 2.5X	200 hours/ 350 hours (GL01P) (GL02P)
Multiple Connections	Up to 5	2X	Up to 10

Comparison of LTE/AXGP Products

- ✓ **EMOBILE LTE products have longer battery life while maintaining the light weight**

	EMOBILE	Company A	Company C
Technology	LTE / DC-HSDPA	LTE / HSPA	AXGP / DC-HSDPA
Usage Time	9 hours (LTE)	6 hours (LTE)	3.5 hours
Standby Time	200/350 hours	210 hours	27 hours
Weight	140/123g	156g	110g
Multiple Connections	Up to 10	Up to 10	Up to 10

Overall Comparison

- ✓ **EMOBILE LTE** products offer the most competitive pricing and speed

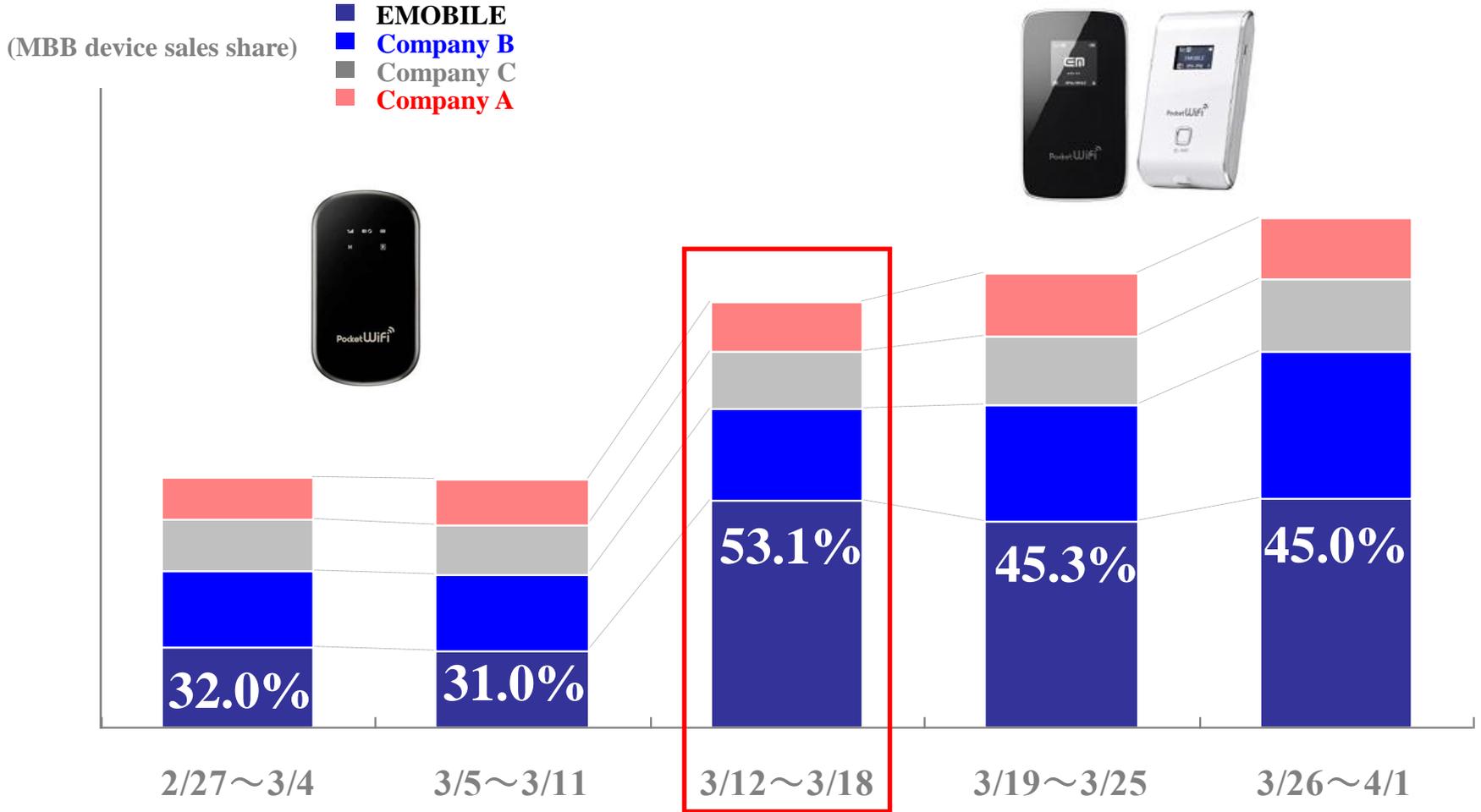
	Technology	Network Speed (downlink/uplink)	Monthly Charge
EMOBILE <i>EMOBILE LTE</i>	LTE	75M/25M (some area)	3,880 yen
Company A	LTE	75M/25M (some indoor)	5,460 yen* (charge 2,625 yen per 2GB after exceeding 7GB)
Company C	AXGP	76M/10M	5,505 yen** (charge 2,625 yen per 2GB after exceeding 5GB)
Company B	WiMAX	40M/15.4M	3,880 yen

* Campaign price until September 30, 2012 + ISP fee

** Campaign price until July 31, 2012 + ISP fee

Mobile Broadband Sales Performance

✓ Significant increase in mobile router market share after LTE launch



* Sales share of top 4 operators

Shop Expansion for FY3/2013

✓ Aim to increase the number of EMOBILE shops over 5X to 400 by March 2013

EMOBILE Shop in Akasaka



EMOBILE Shop in Ebisu



(Number of shops)

600
500
400
300
200
100
0

79

Over 400

March 2012

March 2013

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Platinum Band 700MHz

Appendix

Result of 900MHz Band Allocation

✓ eAccess lost to Softbank by only 1 point but higher than docomo and KDDI

(Score : Out of 10)		Softbank	docomo	KDDI
Total Score	8	9	5	5
Quality of migration plan	4	3	1	2
Quality of MVNO plan	2	2	2	1
Level of spectrum congestion	2	4	2	2
No platinum band allocated	(2)	(2)	(0)	(0)
Subs number per bandwidth	(0)	(2)	(2)	(2)

Result of 900MHz Band Allocation

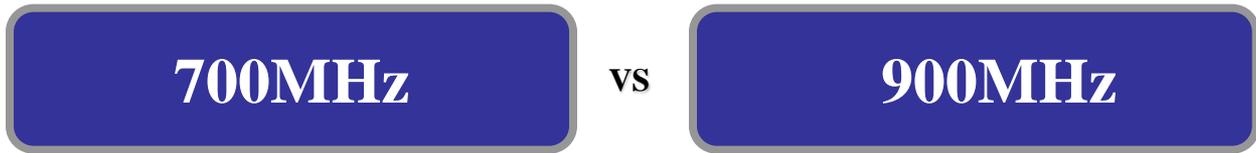
✓ Expect priority to be given to eAccess as the only non-platinum band operator



	Platinum band	IMT Core band				
 (30MHz)			1.8GHz (30MHz)		<ul style="list-style-type: none"> ■ LTE at 1.8GHz ■ Platinum band to expand coverage 	
docomo (140MHz)	800MHz (30MHz)	2GHz (40MHz)	1.5GHz (30MHz)	1.8GHz (40MHz)	<ul style="list-style-type: none"> ■ LTE at 2.1GHz ■ Plan to use 1.5GHz for LTE in 2015 	
KDDI (120MHz)	800MHz (30MHz)	2GHz (40MHz)	1.5GHz (20MHz)	2.5GHz (30MHz) WIMAX	<ul style="list-style-type: none"> ■ Plan to launch LTE at 800MHz, 1.5GHz, and 2GHz by Dec 2012 	
Softbank (134MHz)	900MHz (30MHz)	2GHz (40MHz)	1.5GHz (20MHz)	2.5GHz (30MHz) A-XGP	1.9GHz (14MHz) PHS	<ul style="list-style-type: none"> ■ AXGP at 2.5GHz ■ Awarded 900MHz

700MHz Band Allocation Guideline

- ✓ The MIC plans to allocate 10MHz x 2 to 3 operators in June 2012
- ✓ The total cost for migration is estimated between 60 billion to 150 billion yen. The cost to be shared by the 3 potential 700MHz operators



Total amount required for migration	60~150 billion yen (shared among allocated operators)	210 billion yen (only 1 operator)
Total spectrum available	30MHz x 2	15MHz x 2
Number of operators to be allocated	3	1
Spectrum available to be used	After 2015	5MHz x 2 (immediately) 10MHz x 2 (after migration)

700MHz Band Allocation Schedule



Release of allocation guideline (April 11)



Application Began (April 17)



Application Ends (May 25)



Allocation



Spectrum Available

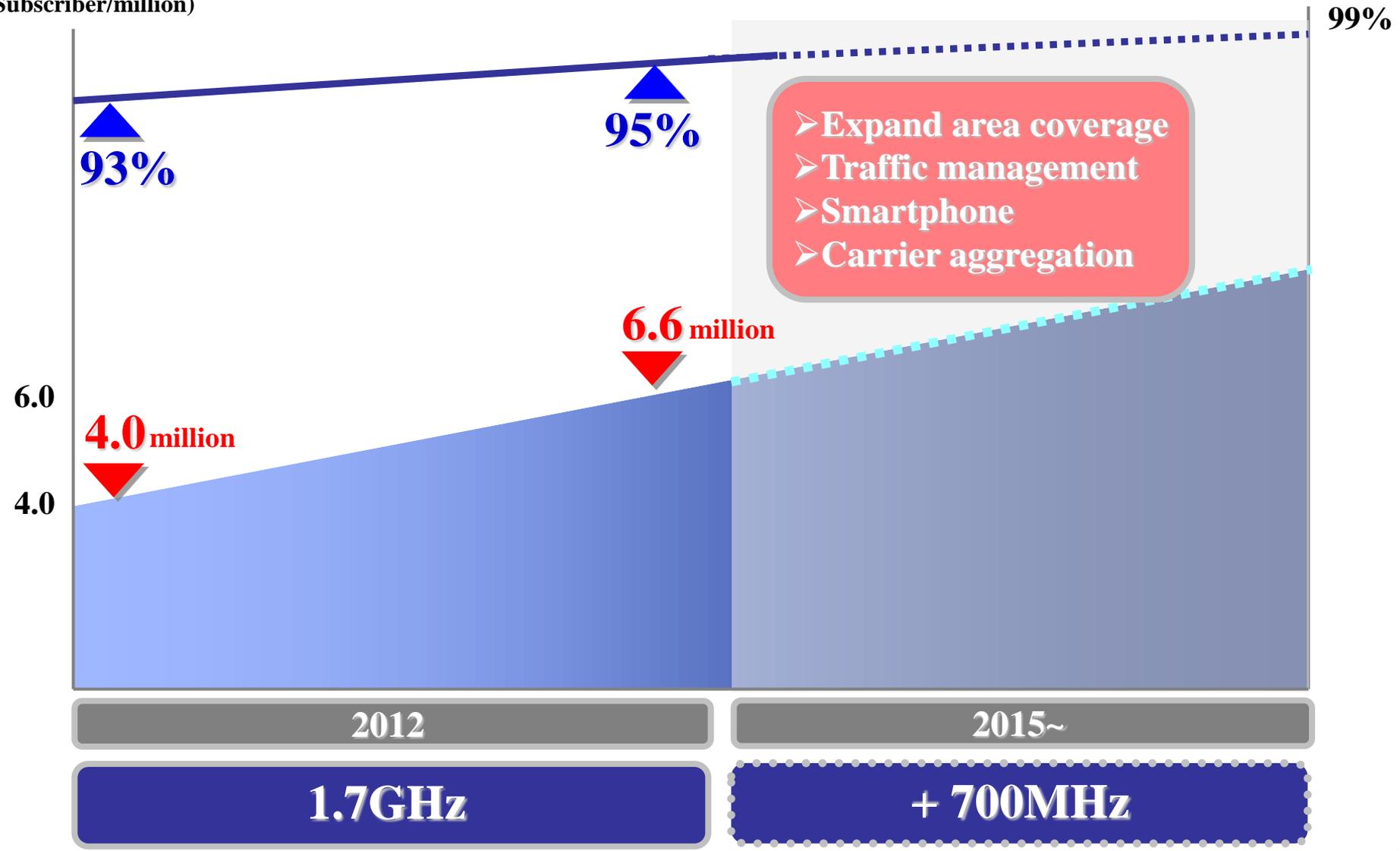


Use of 700MHz Band

- ✓ To improve our nationwide population coverage to 99%
- ✓ To ease potential congestion issue by increasing spectrum capacity

(Subscriber/million)

(coverage)



FY3/2012 Results & Outlook

Operational Highlights & Outlook

Platinum Band 700MHz

Appendix

Supplemental Information (Company)

【Profit & Loss】

(in million yen)

	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Revenue	47,605	48,986	52,532	55,619	204,743	250,000
Operating expense	41,116	42,054	46,927	50,204	180,303	224,000
Advertising and sales promotion	15,451	15,119	19,685	21,740	71,994	-
Device and related tools	2,152	2,725	3,085	4,434	12,395	-
Network	6,694	6,692	6,796	6,816	27,285	-
Modem rental	1,145	1,072	1,014	950	4,179	-
Depreciation and amortization	9,244	9,396	9,507	9,542	37,708	-
Outsourcing	2,473	2,740	2,578	2,631	10,421	-
Salaries and benefits	2,183	2,061	2,079	2,071	8,393	-
Others	1,775	2,250	2,184	2,022	7,925	-
Operating profit	6,489	6,932	5,605	5,415	24,441	26,000
Operating margin (%)	13.6%	14.2%	10.7%	9.7%	11.9%	10.4%
Non-operating income	20	178	44	50	293	-
Non-operating expense	3,293	3,165	3,080	3,012	12,549	-
Interest expense	2,623	2,636	2,574	2,516	10,349	-
Commission expense	593	421	437	436	1,887	-
Amortization of bond issuance costs	60	60	60	60	238	-
Others	17	48	9	1	75	-
Recurring profit	3,217	3,945	2,569	2,453	12,184	15,000
Non-recurring profit	4	0	0	0	4	-
Non-recurring loss	53	34	66	65	218	-
Income before income taxes	3,167	3,911	2,503	2,388	11,970	-
Income taxes	2	7	4,073	-7,267	-3,186	-
Income tax expense-current	2	7	6	6	0	0
Income tax expense-deferred	0	0	4,067	-7,273	-3,206	0
Net Income	3,166	3,905	-1,569	9,654	15,156	13,500
EBITDA	15,733	16,413	15,161	15,195	62,504	66,000
EBITDA margin (%)	33.0%	33.5%	28.9%	27.3%	30.5%	26.4%
Capital Expenditures	8,030	6,221	10,682	8,299	33,233	45,000

Note: EBITDA=Operating profit + Depreciation and amortization + Loss on inventory valuation + Depreciation included in R&D expenses

Supplemental Information (Company)

【Balance Sheets】

(in million yen)

	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Current assets	111,258	113,986	122,544	122,173	-	-
Cash and cash deposits	38,131	44,791	45,924	40,066	-	39,000
Other current assets	73,127	69,195	76,619	82,107	-	-
Fixed assets	227,640	223,535	219,957	229,020	-	-
Total Assets	340,196	338,759	343,679	352,312	-	-
Current liabilities	64,845	66,151	79,337	85,109	-	-
Current portion of long-term debt	43,283	43,905	45,230	45,294	-	-
Other current liabilities	21,562	22,246	34,107	39,815	-	-
Long-Term Liabilities	201,020	194,458	188,834	180,832	-	-
Long-term debt	199,409	189,387	183,235	180,546	-	-
Other long-term liabilities	1,611	5,071	5,599	286	-	-
Total Liabilities	265,865	260,609	268,170	265,941	-	-
Shareholders' equity	75,504	78,670	76,362	85,277	-	-
Capital stock and capital surplus	67,753	67,754	67,754	67,754	-	-
Retained earnings	7,751	10,917	8,609	17,524	-	-
Total Net Assets	74,330	78,151	75,509	86,371	-	96,900
Gross Debt	242,406	237,265	232,661	226,349	-	212,000
Bank loans	139,894	137,788	133,932	134,775	-	-
Bonds	69,321	68,792	68,297	58,768	-	-
Convertible bonds	10,851	10,841	10,832	10,822	-	-
Installment obligations	21,676	19,405	19,336	21,789	-	-
Lease obligations	664	438	263	194	-	-
Net Debt	204,275	192,474	186,737	186,282	-	173,000
Net debt/EBITDA ratio	3.15x	2.90x	2.86x	2.98x	-	2.48x
Net debt/net assets ratio	2.75x	2.46x	2.47x	2.16x	-	1.79x

Note: Gross debt and Net debt exclude valuation of bonds attributed to valuation of derivatives

Note: Net debt/EBITDA ratio is calculated by dividing the Net debt by the EBITDA for the last twelve months

Note: Extra-ordinary profit of 3.8 billion yen from CAPEX refund is added back to EBITDA for the purpose of Net Debt/EBITDA calculation

Supplemental Information (Company)

【Cash Flows】

(in million yen)

	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Net cash provided by (used in) operating activities	12,458	19,899	13,538	11,147	57,042	-
Net cash provided by (used in) investing activities	-10,260	-10,308	-7,037	-7,209	-34,814	-
Net cash provided by (used in) financing activities	-9,119	-5,431	-5,367	-7,301	-27,219	-
Net change in cash and cash equivalents	-6,921	4,160	1,134	-3,363	-4,990	-
Cash and cash equivalents at end of the period	36,477	40,637	41,770	38,412	38,412	-

【Other Indicators】

	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Dividend per share (yen)	200	200	200	200	800	800
Average share price during the period (yen)	37,948	30,277	18,864	18,737	-	-
Dividend yield (annual)	2.1%	2.6%	4.2%	4.3%	-	-
Number of shares of common stock at the end of the period	3,465,165	3,465,180	3,465,180	3,465,180	-	-
Average number of shares of common stock during the period	3,464,227	3,464,700	3,464,861	3,464,940	-	-
Earnings per share (EPS)	900.63	2,014.22	1,547.99	2,772.84	4,320.98	3,842.98
Earnings per share-diluted	865.19	1,940.75	1,513.67	2,657.50	4,167.80	-
Price earnings ratio (PER)	8.23x	4.53x	4.18x	4.22x	-	-
Market capitalization	124,746	68,645	63,309	63,933	-	-
Net debt	204,275	192,474	186,737	186,282	-	-
Enterprise value (EV)	329,021	261,119	250,045	250,215	-	173,000
EV / EBITDA ratio	5.07x	3.93x	3.83x	4.00x	-	-
Number of employees	1,306	1,212	1,198	1,196	-	-

Supplemental Information (Mobile Business)

【Profit & Loss】

(in million yen)

Mobile Business	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q	2Q	3Q	4Q	Full-year/	Full-year/
Revenue	35,548	37,529	41,669	45,323	160,069	215,000
Service revenue	28,286	29,215	31,244	32,555	121,299	-
Device revenue	7,262	8,314	10,424	12,769	38,770	-
Operating expense	33,054	34,375	39,727	43,277	150,432	198,000
Advertising and sales promotion	14,981	14,824	19,414	21,497	70,715	-
Device and related tools	2,083	2,669	3,036	4,383	12,170	-
Network	3,055	3,161	3,365	3,448	13,030	-
Depreciation and amortization	8,014	8,205	8,481	8,623	33,341	-
Outsourcing	1,703	1,954	1,883	1,940	7,480	-
Salaries and benefits	1,770	1,664	1,688	1,668	6,791	-
Others	1,447	1,898	1,860	1,718	6,906	-
Operating profit	2,495	3,154	1,942	2,046	9,637	17,000
Operating margin (%)	7.0%	8.4%	4.7%	4.5%	6.0%	7.9%
EBITDA	10,509	11,445	10,473	10,907	43,333	54,000
EBITDA margin (%)	29.6%	30.5%	25.1%	24.1%	27.1%	25.1%
Capital expenditures	7,842	5,727	9,818	6,275	29,662	41,000

Note: EBITDA=Operating profit + Depreciation and amortization + Loss on inventory valuation + Depreciation included in R&D expenses

【Operational Information】

Mobile Business	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q	2Q	3Q	4Q	Full-year/	Full-year/
Gross add subscribers (thousands)	369	389	393	397	-	-
Device upgrades (thousands)	42	59	101	90	-	-
Total (thousands)	411	448	494	487	-	-
Net add subscribers (thousands)	223	238	221	218	899	483
Accumulated subscribers (thousands)	3,341	3,579	3,800	4,017	4,017	4,500
ARPU (yen/month)	2,860	2,730	2,730	2,680	2,740	2,800
Churn rate (%/month)	1.50%	1.44%	1.54%	1.50%	1.50%	1.60%
SAC (yen)	20,000	23,000	28,000	28,000	25,000	30,000

Supplemental Information (Fixed-line Business)

【Profit & Loss】

(in million yen)

Fixed-line Business	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Revenue	12,057	11,457	10,863	10,296	44,674	35,000
Operating expense	8,063	7,680	7,201	6,927	29,870	26,000
Advertising and sales promotion	470	296	271	243	1,279	-
Network	3,639	3,531	3,431	3,368	14,255	-
Modem rental	1,145	1,072	1,014	950	4,179	-
Depreciation and amortization	1,231	1,191	1,026	919	4,367	-
Outsourcing	770	786	695	691	2,941	-
Salaries and benefits	413	397	391	403	1,603	-
Others	397	408	373	355	1,245	-
Operating profit	3,994	3,778	3,663	3,369	14,804	9,000
Operating margin (%)	33.1%	33.0%	33.7%	32.7%	33.1%	25.7%
EBITDA	5,225	4,969	4,689	4,288	19,171	12,000
EBITDA margin (%)	43.3%	43.4%	43.2%	41.6%	42.9%	34.3%
Capital expenditures	189	494	864	2,024	3,571	4,000

Note: EBITDA=Operating profit + Depreciation and amortization

【Operational Information】

Fixed-line Business	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Net add subscribers (thousands)	-89	-95	-83	-96	-363	-360
Accumulated subscribers (thousands)	1,839	1,744	1,661	1,565	1,565	1,200
ARPU (yen/month)	2,009	2,006	1,998	1,992	8,005	2,000
Churn rate (%/month)	2.04%	2.14%	1.97%	2.32%	0	2.40%
SAC (yen)	7,500	7,000	6,000	7,000	7,000	6,500

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