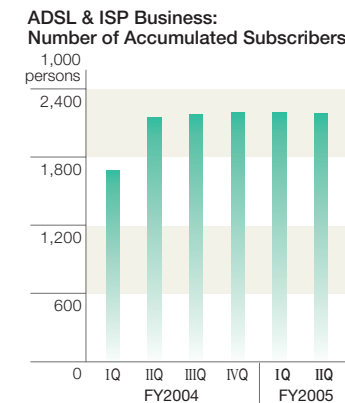
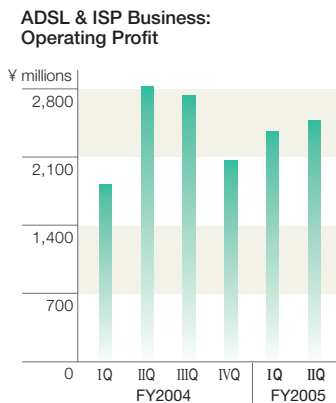
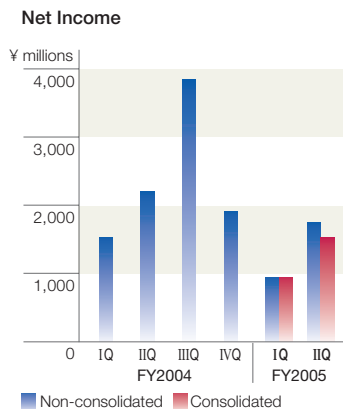
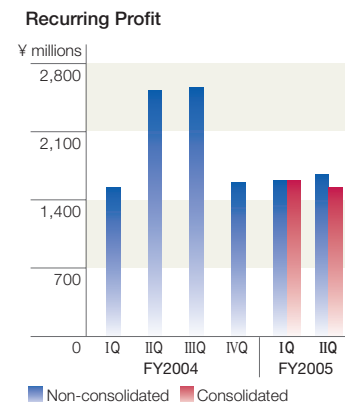
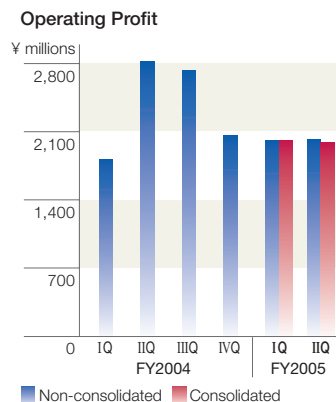
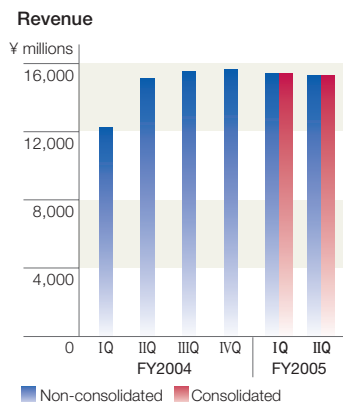




From ADSL to Mobile

e
em
eMobile

Maintained High Profit Margins. Managed Steady Subscriber Growth.



Note: We have decided to report consolidated financial statements for the fiscal year ending March 31, 2006, and have prepared the current mid-year statements on that basis. Although the first quarter of 2005 figures were previously reported as non-consolidated, they have been adjusted and are presented here as consolidated figures for comparative purposes. Operating profit and accumulated subscriber numbers for our ADSL & ISP business (excluding mobile) are reported by quarter.

With a new mobile license, we will transform and expand our company “from ADSL to mobile.”



*Sachio Semmoto (center)
Representative Director and CEO*

*Haruo Taneno (right)
Representative Director and COO*

*Eric Gan (left)
Representative Director and CFO*

We began considering in earnest our entry into the next-generation mobile phone business in summer 2003. We have since undertaken a number of initiatives to provide mobile services in the 1.7GHz spectrum. As the first step in this process, eMobile Ltd., a subsidiary, acquired a license to operate a mobile business in November 2005. Based on the business plan submitted to the Ministry of Internal Affairs and Communications (MIC), we plan to establish base stations and create a new business model and innovative services. We will channel all of our resources into transforming the domestic mobile phone sector into a top-ranking world market, paralleling the success of ADSL in Japan.

On the financing side, in October 2005 eMobile received a ¥10.0 billion capital investment from Tokyo Broadcasting System, Inc., one of Japan’s major broadcasting companies. In the following month, the U.S.-based Goldman Sachs Group, Inc., and other investors agreed to invest a further ¥32.5 billion in capital to eMobile. eAccess has also invested approximately ¥45.0 billion. By November 30, 2005, therefore, a total of ¥87.9 billion had been invested in eMobile. This investment will reinforce our financial base ahead of our entry into the mobile business.

Meanwhile, our existing ADSL & ISP

business has maintained high profit margins, boosted by continual growth in subscriber lines. As of September 30, 2005, total cash and deposits exceeded interest-bearing liabilities (similar to the previous fiscal year-end), effectively making eAccess a net cash company. At the interim report, we have announced an upward revision to our initial performance forecasts for the fiscal year ending March 2006.

Building on our sound financial position, we will strive to further boost corporate value via expansion of our ADSL & ISP business and our entry into the mobile business. We will maximize returns to shareholders and work hard to ensure sound and transparent management by strengthening compliance awareness and corporate governance.

We thank our shareholders for ongoing support and cooperation.

December 2005

Representative Director and CEO

Representative Director and COO

Representative Director and CFO

Maintained a high profitability and solid cash flows in the ADSL business.

During this interim period, we pursued effective sales promotion activities in our core ADSL business, working in cooperation with ISPs via our unique sales channel using electronic retail stores. At the same time, we steadily increased the number of subscribers and again achieved a high profitability. Moreover, we have already achieved profitability in our ISP business, following the transfer of AOL Japan's ISP business in July 2004. Since then, we have made full use of AOL's stable customer base to promote a shift to broadband. As a result, the percentage of broadband users has doubled in only one year, and earnings have increased accordingly.

As of September 30, 2005, we had a total of 2.15 million subscribers

(including 1.87 million ADSL subscribers). Revenue for the interim period totaled ¥30.3 billion, up 12% from the previous corresponding period. Operating profit declined ¥0.6 billion due to an up-front investment of ¥0.8 billion in our new mobile business. Nonetheless, operating profit for the ADSL & ISP business alone grew ¥0.2 billion. We also reported an increase in operating free cash flow^(Note 2) owing to effective utilization of our fiber optic IP backbone network and efficient capital investments. Consequently, total cash and deposits as of September 30, 2005 exceeded interest-bearing liabilities (similar to the previous fiscal year-end), effectively making eAccess a net cash company on a consolidated basis.

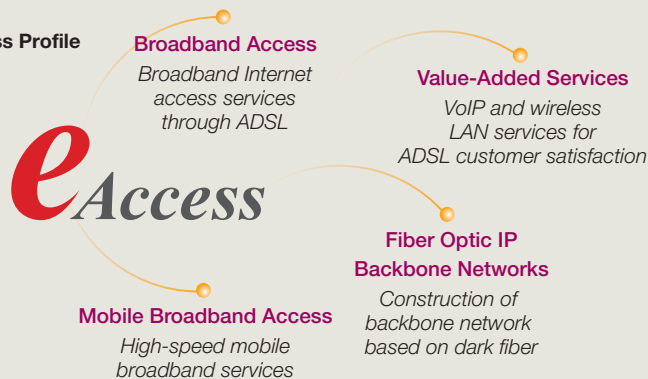
eAccess' Business Model: Japan's Largest ADSL Wholesale Operator

The key to eAccess' profitability is its business model. We were the first company in Japan to advocate a business model for wholesaling ADSL^(Note 1) lines to ISPs.

In addition, we have been promoting the widespread popularity of broadband from our position as the country's number one wholesale operator.

We provide connection services to our ISP partners, who liaise directly with subscribers and provide service support. Consequently, we are able to reduce our sales promotion costs and support costs.

Business Profile



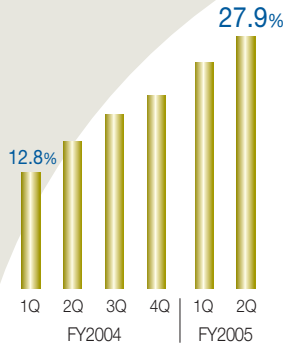
Notes: 1. ADSL (asymmetric digital subscriber line) is a popular form of DSL service. "Asymmetric" means that the upstream (PC to Internet) speed is different from the downstream (Internet to PC) speed. With the Company's ADSL 50Mbps ADSL service, for example, the upstream speed is 5 Mbps and the downstream speed is 50Mbps, the latter being equivalent to 781 times faster than the 64kbps offered by ISDN lines.

2. Operating free cash flow = EBITDA – Capital investment

eAccess' Business Strategy: ADSL & ISP

Plan to increase ADSL subscribers by (i) expanding areas, (ii) lowering the churn rate and (iii) promoting the migration, from dial-up to broadband.

Steady increase in broadband users among AOL subscribers



The number of AOL users migrating from dial-up to ADSL continues to rise steadily, reflecting increased synergies between our AOL and ADSL businesses.

In Japan, nearly half of all Internet users use ADSL lines. We are currently concentrating on three main strategies in an effort to increase ADSL subscriber numbers even further.

First, we are improving the quality of services provided to ADSL users and lower the churn rate. For example, we are offering a reduced monthly base charge to users of AOL 50Mbps ADSL service who have been with us continuously for 12 months or more. We are also running a "free moving campaign" for users who continue to use our services after moving to a new residence. Under this campaign, we waive the charge for transferring their ADSL lines when our users move to a new residence. Such measures have led to a reduction in the churn rate and helped us maintain stable user numbers.

Second, we are providing more incentives for dial-up (narrowband) users to migrate to broadband. We have established an inexpensive 1Mbps plan to help "light Internet" users get started with broadband. As of September 30, 2005, our ADSL services were the cheapest in the industry, with a monthly user charge of approximately ¥2,000.

Third, in February 2005 we launched an ADSL service for users of KDDI's "Metal Plus Phone" service. By selling telephony and ADSL as a bundled package, we are not only targeting Internet users, but long-standing telephone users as well. This, too, will lead to further growth in subscriber numbers.

Through these three strategies, we plan to continue to grow the number of subscribers for our core ADSL & ISP business services.

Japan's broadband market

The migration from dial-up to ADSL continues among Japanese Internet users. At present, **ADSL accounts for nearly 50%** of the nation's broadband market.

FTTH: 10~100Mbps ¥6,000~¥8,000 per month

CATV: 1.5~30Mbps ¥4,000~¥6,000 per month

ADSL: 1~50Mbps ¥2,000~¥5,000 per month

Dial-up: 64kbps ~¥2,000 per month

FTTH: about 3.4 million lines

CATV: about 3.06 million lines

ADSL: about **14.08** million lines

Dial-up: about 10.0 million lines

Internet users in Japan: about 30 million lines

* Speed and monthly base charges are calculated based on the fees of the five leading ISPs.

** Monthly base charges are based on residential services (including modem rental fees).

With a new mobile license, we could now extend our services and growth in the mobile areas.

In November 2005, eMobile Ltd., a subsidiary, acquired a license to operate a mobile business in the 1.7GHz spectrum. eMobile is currently preparing to launch mobile services in the fiscal year ending March 31, 2007.

On the financing side, in October 2005 eMobile raised ¥10.0 billion through a private placement arrangement

with Tokyo Broadcasting System, Inc., one of Japan's major broadcasting companies. We have also announced that the U.S.-based Goldman Sachs Group, Japan's Yoshimoto Kogyo Group, and others will contribute a further ¥32.5 billion in a private placement arrangement by the end of 2005. We hope that these business alliances will

lead to the convergence of broadcasting and telecommunication services and facilitate provision of high-quality content to mobile phone users. eAccess has also invested approximately ¥45.0 billion in eMobile. As of September 30, 2005, eMobile had capital and reserves totaling ¥87.9 billion (including ¥44.1 billion in capital).

eMobile will continue to consolidate its financial base in preparation for the commencement of mobile services. This will require capital investments of around ¥300 billion, which eMobile will raise by increasing both equity and debt.

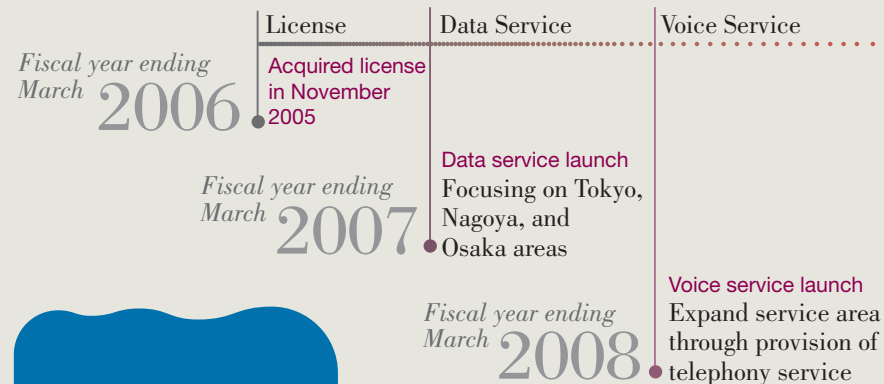
Through ongoing field trials, we continue to broaden the potential of new innovative mobile services.

On the technical side, the first W-CDMA 1.7GHz field trials held in Japan got under way in May 2005. With the evolution of mobile broadband, eMobile is examining scenarios for providing services in cooperation with network equipment vendors.

Thanks to the united efforts of management and employees, eAccess has

a proud history of "executions." For example, we became profitable after only three years of operation, listed on the TSE's Mothers market in our fourth year, and listed on the TSE's First Section one year later. We will continue to highlight our capabilities as we deliver mobile services that only the eAccess Group is able to provide.

eMobile Schedule (plan)



eMobile to Open New Frontiers for New Innovative Mobile Services

In addition to core voice services currently provided, the possibilities for mobile phones are expanding on a daily basis, with a wide range of useful services already available in other countries. The eAccess Group's plans for its eMobile service and the underlying concept are outlined below.

eMobile Service Concept:

Seamless services for both mobile and fixed communication devices

To date, it has been necessary to use multiple telecommunication services, such as mobile phones when visiting clients, dedicated company computer lines for data communication within the office, and ADSL lines for Internet use at home. The eMobile service will provide not only a mobile phone service, but also a seamless broadband service for mobile and fixed communication devices for sending data between home, office, and mobile devices.

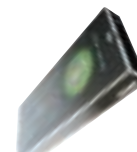
We are examining various potential services using eMobile (Note).

Compatible with your desktop computer, laptop PC, and PDA...

Enjoy listening to music while sending and receiving e-mail...

This simple and stylish mobile phone uses only a touch panel...

Send and receive e-mails, play games, make videophone calls, and perform a variety of other convenient functions...



Note: The photos show a conceptual view of our future service, not a device actually on sale.

Potential new markets created by "eMobile"

By utilizing eAccess' business model as an ADSL wholesaler and using eMobile's high-speed communication infrastructure, ISPs and other companies can develop their businesses as mobile virtual network operators (MVNOs), which are already commonplace globally.



Consolidated Financial Statements

	As of September 30, 2005	As of September 30, 2005
Balance Sheet	Assets	Liabilities
¥ millions	Current assets 114,657	Current liabilities 16,758
	Cash 108,061	Trade accounts payable 76
	Accounts receivable 5,692	Current portion of long-term debt 3,166
	Inventory 47	Other accounts payable 1,086
	Allowance for bad debt (7)	Accrued expenses 6,355
	Other current assets 864	Income taxes payable 1,488
	Fixed assets 22,962	Current portion of capital lease obligations 4,319
	Tangible fixed assets 16,462	Stock purchase warrants 15
	Machinery and equipment 15,441	Other current liabilities 252
	Other 1,021	Long-term liabilities 91,573
	Intangible assets 2,773	Bonds 83,000
	Investments and other assets 3,727	Long-term debt 5,524
		Capital lease obligations, less current portion 2,894
		Long-term other payables 155
		Total liabilities 108,331
		Minority Interests
		Minority interests 50
		Shareholders' Equity
		Capital shares 15,300
		Capital surplus 3,935
		Retained earnings 10,214
		Unrealized loss on available for sale securities (211)
		Total shareholders' equity 29,238
	Total assets 137,619	Total liabilities, minority interest and shareholders' equity 137,619

Note: Figures are rounded to the nearest million yen.

* We have decided to report consolidated financial statements for the fiscal year ending March 31, 2006, and have prepared the current mid-year statements on that basis. Although the first quarter of 2005 figures were previously reported as non-consolidated, they have been adjusted and are presented here as consolidated figures for comparative purposes.

Six months ended
September 30, 2005

**Statement of
Operations**

¥ millions

Revenue	30,351
Cost of revenue	16,446
Gross profit	13,906
Selling, general and administrative expenses	9,952
Operating profit	3,954
Other income	20
Other expenses	897
Recurring profit	3,077
Non-recurring profit	1
Non-recurring loss	15
Income before income taxes	3,063
Income taxes (current)	1,406
Income taxes (deferred)	(845)
Minority interests	0
Net income	2,502

Six months ended
September 30, 2005

**Statement of
Cash Flows
(Summary)**

¥ millions

Net cash provided by operating activities	7,962
Net cash used in investing activities	(5,834)
Net cash provided by financing activities	863
Net change in cash and cash equivalents	2,991
Cash and cash equivalents at beginning of period	104,770
Increase in cash and cash equivalents due to newly consolidation	300
Cash and cash equivalents at end of period	108,061

Corporate Data (As of September 30, 2005)

eAccess Ltd.

Established	November 1, 1999
Capital	¥15.3 billion
Headquarters	Shin-Nikko Bldg., 10-1, Toranomon 2-chome, Minato-ku, Tokyo 105-0001, Japan
Number of Employees	443
Business Focus	Broadband IP communication services

Directors and Corporate Auditors

Representative Director and CEO	Sachio Semmoto
Representative Director and COO	Haruo Taneno
Representative Director and CFO	Eric Gan
External Director	Paul Reynolds
External Director	William L. Smith
External Director	Raymond Kwok
External Director	Toru Hashimoto
External Director	Morihiko Tashiro
External Director	Toshio Yasui
External Director	Jiro Kokuryo
Full-Time Corporate Auditor	Yukio Goto
Corporate Auditor	Koichiro Nakamoto
Corporate Auditor	Motohide Nishimura

Consolidated Subsidiary (As of October 31, 2005)

eMobile Ltd.

Established	January 5, 2005
Capital	¥27.8 billion
Headquarters	Shin-Nikko Bldg., 10-1, Toranomon 2-chome, Minato-ku, Tokyo 105-0001, Japan
Business Focus	Mobile broadband communication services

Share Information (As of September 30, 2005)

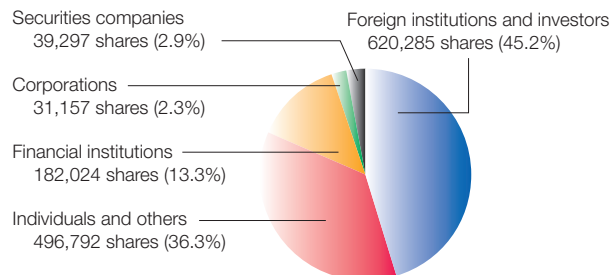
Number of shares authorized	5,459,760
Number of shares issued	1,369,555
Number of shareholders	39,365

Top 10 Principal Shareholders

Name	Number of shares	Voting right ratio (%)
1. Sachio Semmoto	96,510	7.05%
2. Eric Gan	94,150	6.87%
3. The Master Trust Bank of Japan (Trust Account)	71,010	5.18%
4. Nomura International (Hong Kong) Limited, Account F5108	47,630	3.48%
5. The Chase Manhattan Bank N.A. London	46,934	3.43%
6. Bank of New York GCM Client Account EISG	45,095	3.29%
7. Japan Trustee Services Bank, Ltd.	29,117	2.13%
8. Nikko Citigroup Limited	21,708	1.59%
9. The Bank of New York Treaty JASDEC Account	21,671	1.58%
10. Luxemburg Offshore Jasdec Lending Account	20,651	1.51%

Share Distribution

Number of Shareholders



Fiscal year-end	March 31
General shareholders' meeting	June
Date of record	March 31

Transfer of Shares

Transfer administration office	The Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Division 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agent	The Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agency offices	The Mitsubishi UFJ Trust and Banking Corporation Head office and branches throughout Japan
Notices appear in	<i>Nihon Keizai Shimbun</i>

“A new and more efficient net life for all.”

Our mission is to maximize the value of customers' lives and businesses by providing innovative broadband services that meet emerging needs.

Guiding Principles to Realize the Mission Statement

- To place top priority on customers
- To provide high-quality services that will become the de facto standard and choice of customers
- To create and promote “win-win” business partnerships
- To aggressively and efficiently carry out business plans to maximize the value of the Company
- To create an environment where employees take pride in working for an innovative telecommunications carrier that relentlessly strives for a higher standard



<http://www.eaccess.net/ir/index.html>

eAccess Ltd.

Shin-Nikko Bldg., 10-1, Toranomom 2-chome,
Minato-ku, Tokyo 105-0001, Japan

<http://www.eaccess.net/>