

eAccess Limited [9427]

Mid-Year Results for FY3/2007
(4/2006 ~ 9/2006)



November 15th, 2006

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FY3/2007 Mid-Year Results & Outlook

Financial

Mid-year parent operating profit rose by 62% YoY
Revised up full year consolidated earnings forecasts
Commenced quarterly dividend payout from 2Q

ADSL/ ISP

Improvement in average monthly churn in 2Q 1.85% vs 1Q 2.08%
Expect slow ADSL subscriber addition to continue in 2H
Expect to maintain strong profit margin

WiMAX

The only operator to conduct WiMAX field trial in Tokyo
Prepare for MIC's public hearing on license allocation

Mobile

Signed roaming agreement with NTT DoCoMo
Commenced mobile data card field trial in Tokyo
Expect initial launch of mobile data service in March 2007

FY3/2007 Mid-Year Financial Results

**Parent operating profit up 62% YoY and recurring profit up 81% YoY
Better-than-expected consolidated earnings due to smaller mobile start-up losses**

	Parent			Consolidated		
	FY2005 1H (2005/4-9) ⁽¹⁾	FY2006 1H (2006/4-9)	YoY Comparison	FY2006 1H (2006/4-9)		
(billion yen)				ADSL/ISP	+ Mobile	= Consolidated ⁽²⁾
Revenue	30.35	28.25	- 6.9 %	28.25	-	28.25
Operating profit	3.99	6.46	+ 62.0 %	6.46	- 2.56	3.90
Recurring profit	3.22	5.81	+ 80.8 %	5.81	- 3.41	2.40
Net Income	2.64	3.46	+ 31.1 %	3.46	- 3.41	1.90
EBITDA	9.60	11.14	+ 16.1 %	11.14	- 2.52	8.62
Capex	2.88	2.41	- 16.2 %	2.41	1.85	4.26
Depreciation	5.61	4.68	- 16.6 %	4.68	0.04	4.72

(1) FY2005 1H included mobile losses of 0.8 billion yen at operating level and 0.9 billion yen at recurring level

(2) Minority interest adjustment of 1.85 billion yen was included in the net income level.

FY3/2007 Full Year Financial Forecasts

Upward revision on full year consolidated earnings due to smaller-than-expected mobile start-up losses

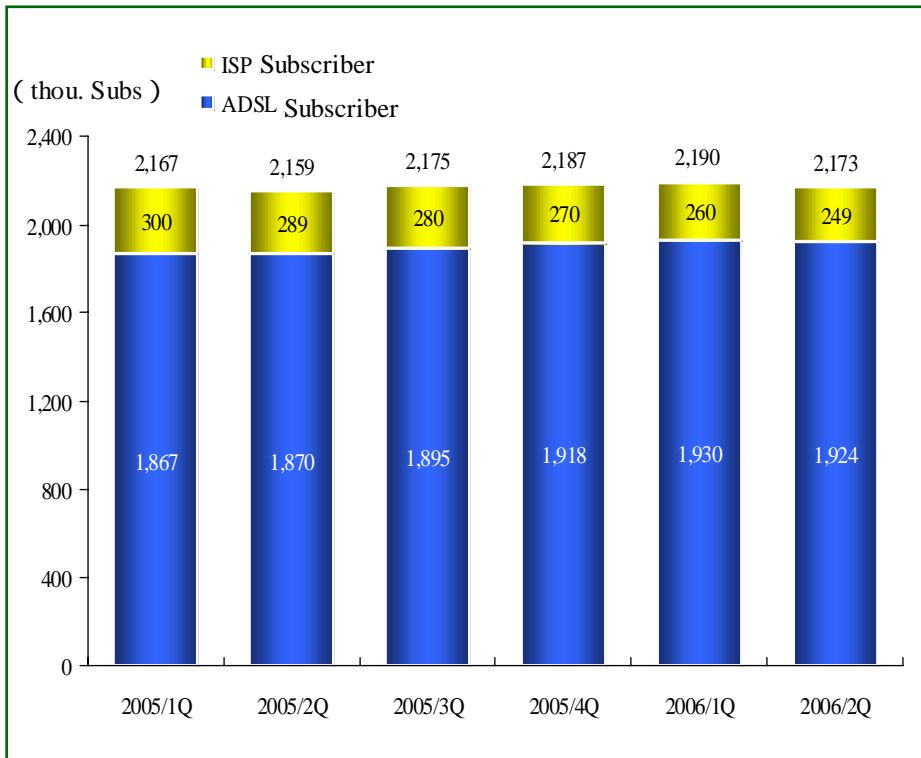
(billion yen)	Revised Forecasts (FY 3/2007 Consolidated)			Previous Forecasts (FY3/2007 Consolidated)		
	ADSL/ISP	Mobile	Consolidated	ADSL/ISP	Mobile	Non Consolidated
Revenue	56.00	0.80	56.00	56.00	0.80	56.00
Operating Profit	10.90	-10.60	0.30	10.90	-14.10	-3.20
Recurring Profit	9.70	-11.90	-2.20	9.70	-16.00	-6.30
Net Income	5.40	-11.90	0.30	5.40	-16.00	-1.30
EBITDA	20.50	-10.20	10.30	20.50	-13.60	6.90
CAPEX	13.00	47.00	60.00	13.00	80.70	93.70
Depreciation	9.60	0.40	10.00	9.60	0.50	10.10

*Internal sales elimination of 0.8 billion yen is included in the sales line and minority interest adjustment of 6.8 billion yen is included in the net income line.

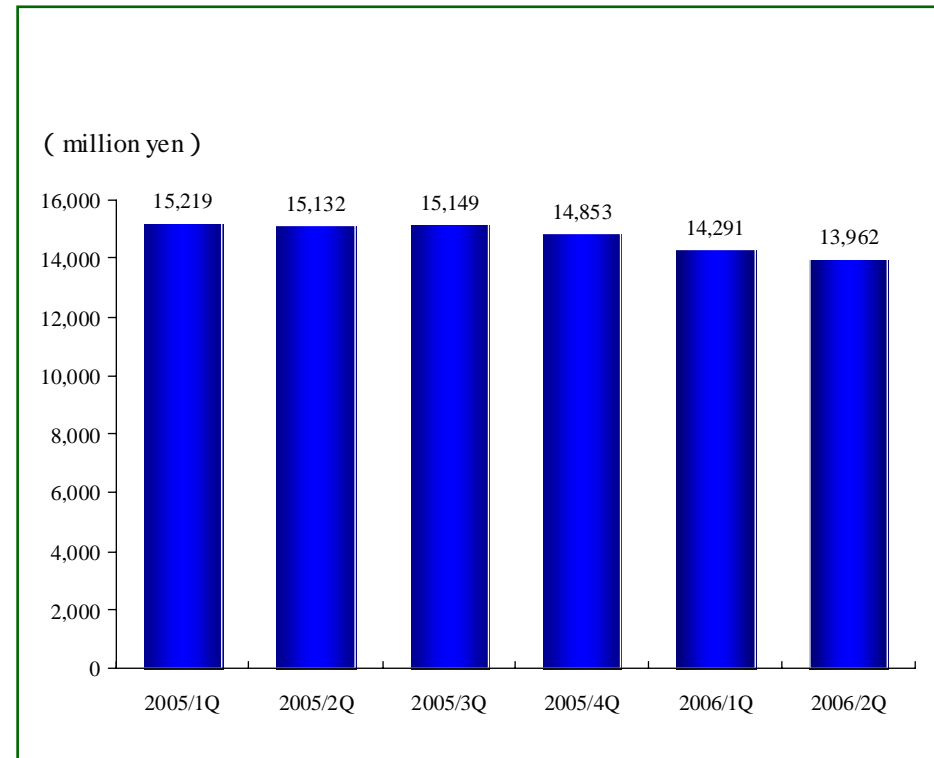
ADSL/ISP Subscriber and Revenue

Expect slow ADSL subscriber addition to continue in 2H
Decline in revenue was in-line with expectations due to ARPU dilution

ADSL/ISP Subscribers



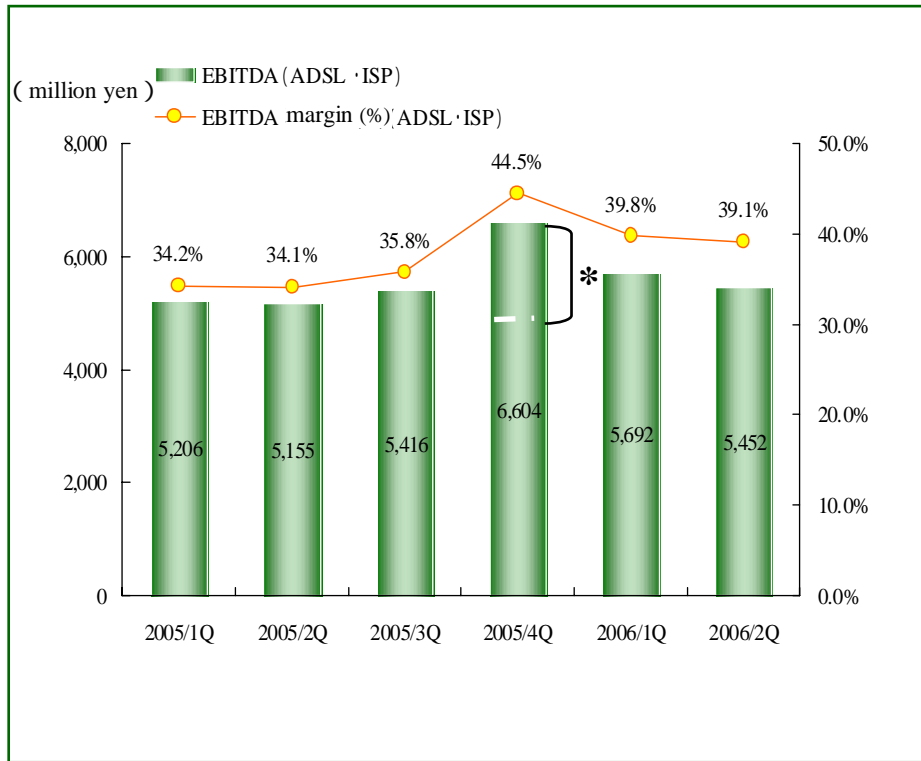
Revenue



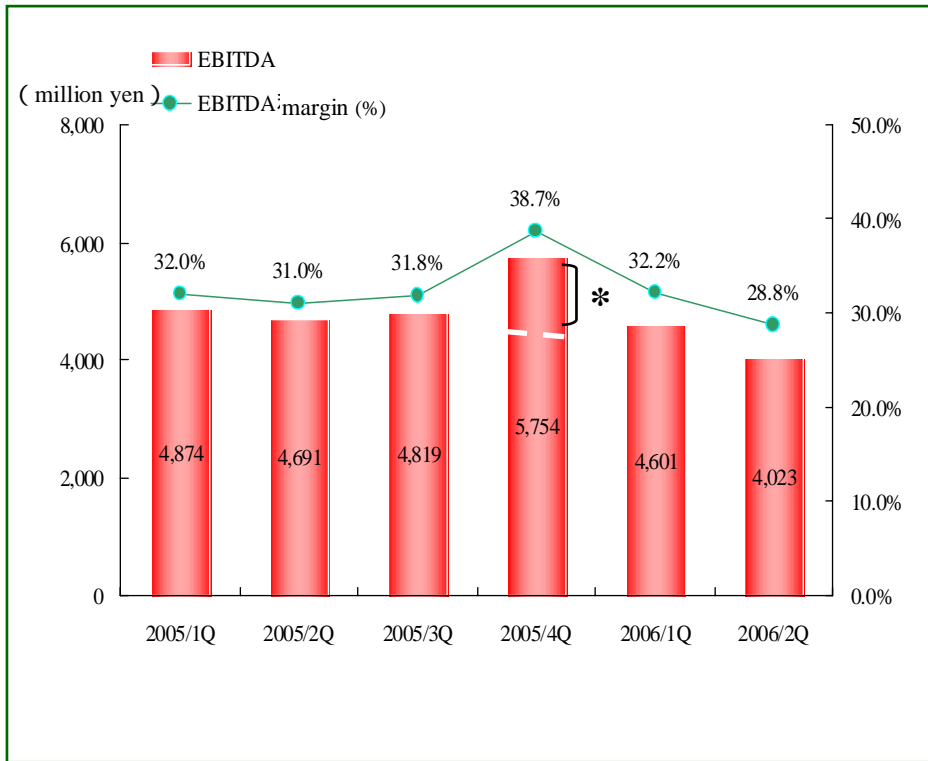
EBITDA Trend

Achieved high Parent EBITDA margin at 39%
Better-than-expected consolidated EBITDA due to smaller mobile start-up losses

**EBITDA and EBITDA margin trend
(ADSL · ISP Only)**



**EBITDA and EBITDA margin trend
(Consolidated Basis)**

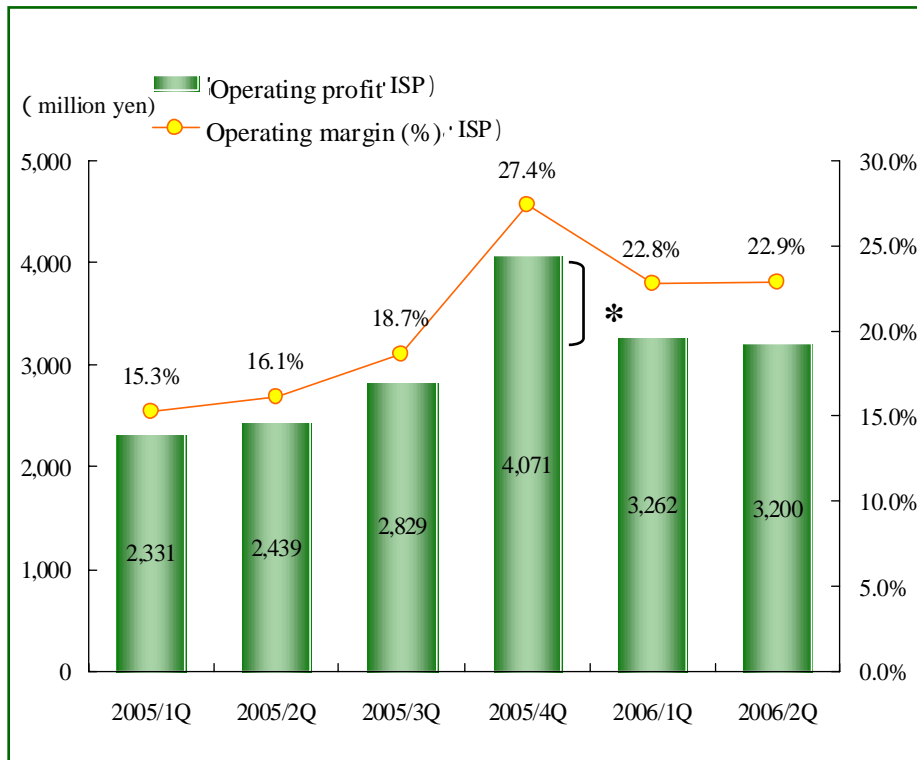


*2005/4Q figure includes NTT charges retroactive adjustment of approx. 1,000 million yen.

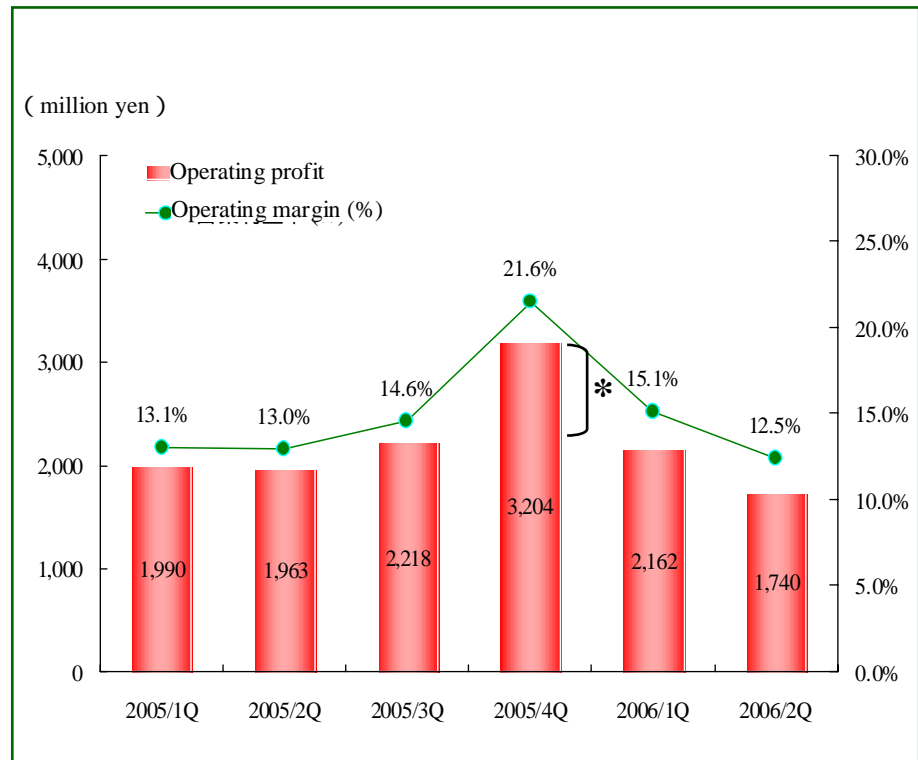
Operating Profit Trend

Record high in normalized quarterly parent (ADSL/ISP) operating margins at 22.9%

Operating profit and Operating margin trend
(ADSL/ISP Only)



Operating profit and Operating margin trend
(Consolidated Basis)

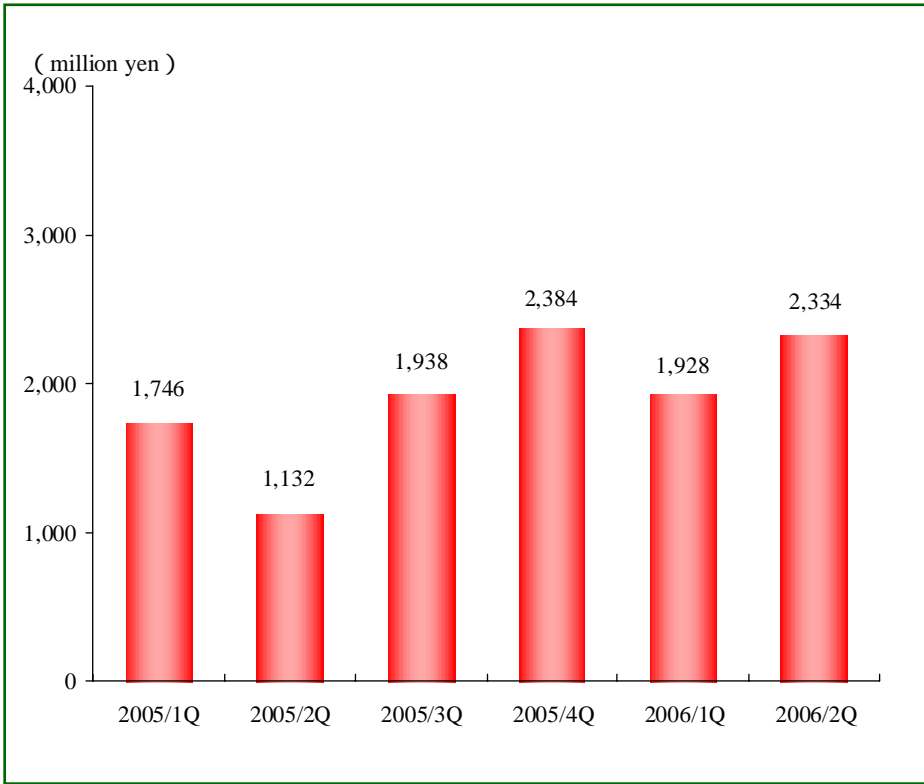


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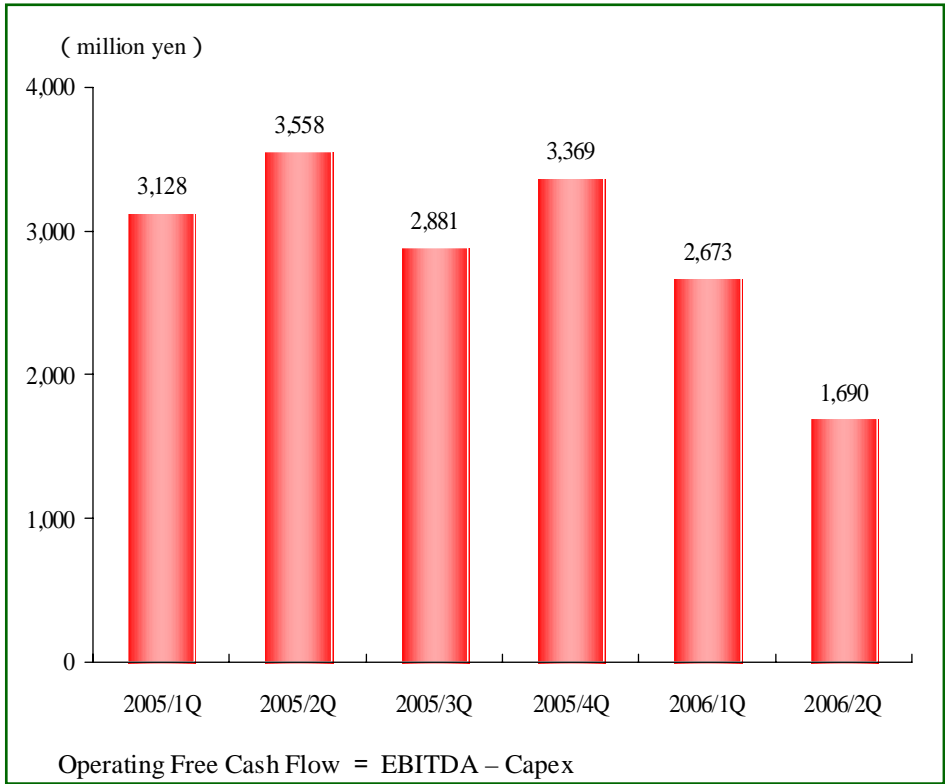
Capex and Operating FCF Trend

**Smaller-than-expected consolidated capex in 1H due to the change in cell-planning
Expect mobile capex to pick up in 2H**

Consolidated Capex Trend



Consolidated Operating Free Cash Flow Trend



Balance Sheets

Strong consolidated cash position at 181.8 billion yen
Consolidated net cash position at 90.3 billion yen
Expect an increase in cash outflow related to mobile capex

(billion yen)	<Parent> As of September 30, 2006		<Consolidated> As of September 30, 2006	
	Balance	Share of Total	Balance	Share of Total
Cash and Cash Deposit	53.76	38.8 %	181.80	82.6 %
Debt	91.44	66.0 %	91.44	41.5 %
Net Debt	37.68	27.2 %	- 90.36	--
Minority Interest (EMOBILE)	--	--	83.56	37.9 %
Total Shareholders' Equity	37.51	27.1 %	34.94	15.9 %
Total Asset	138.57	100.0 %	220.27	100.0 %
Net Debt/Equity ratio(%)	100.4 %	--	-261.3 %	--

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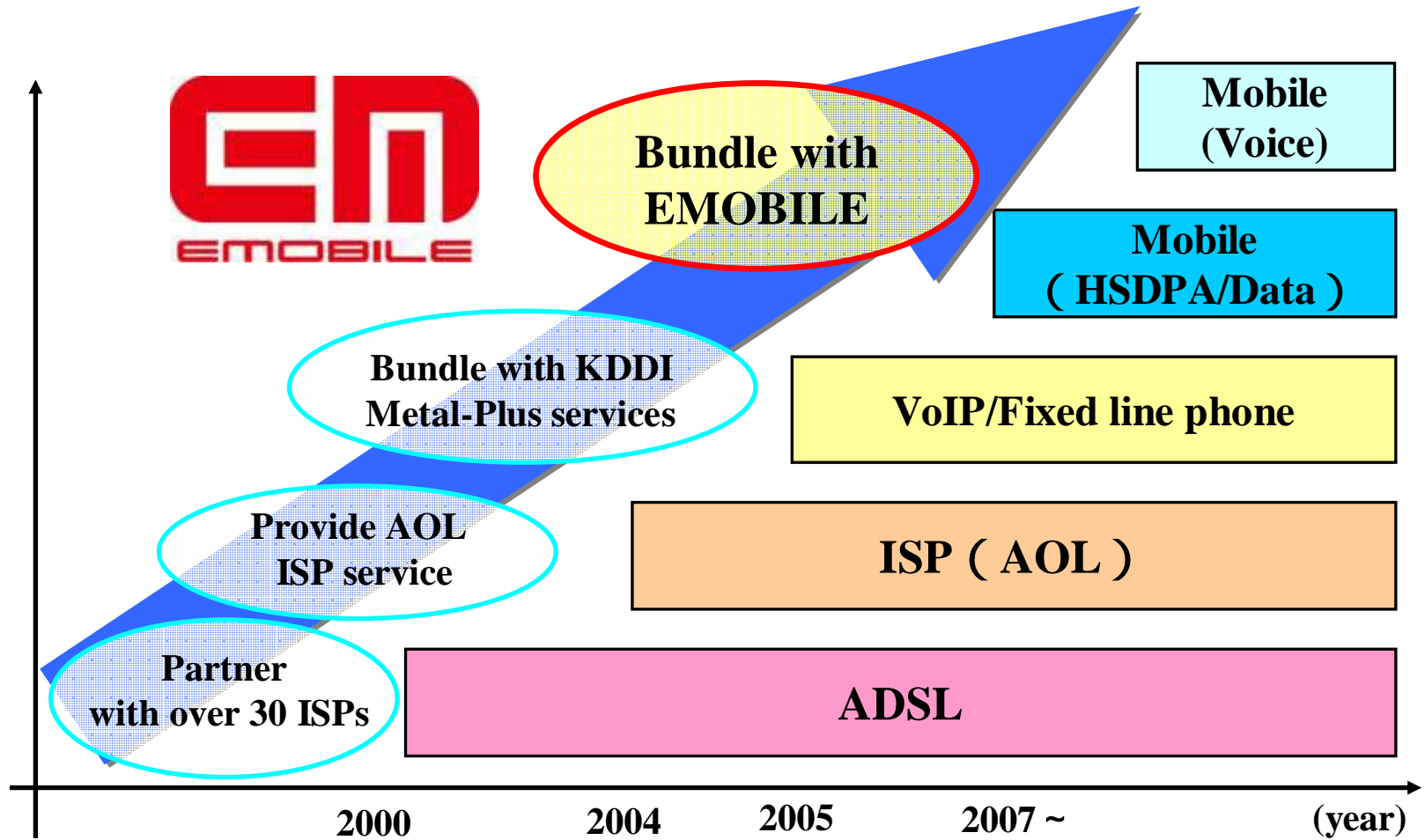
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ADSL • ISP Business

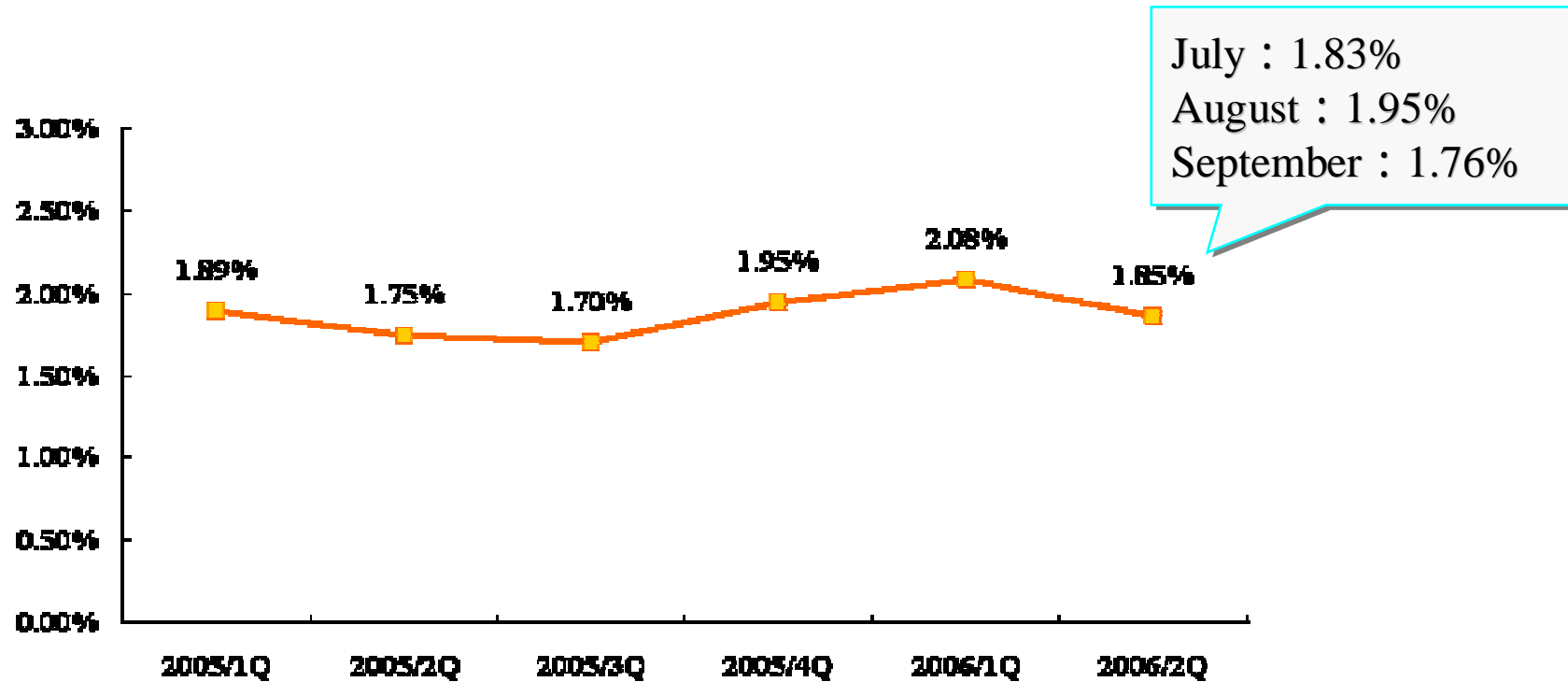
ADSL/ISP Business Road Map

Increase in ADSL penetration with a wider range of service bundling



ADSL Average Monthly Churn

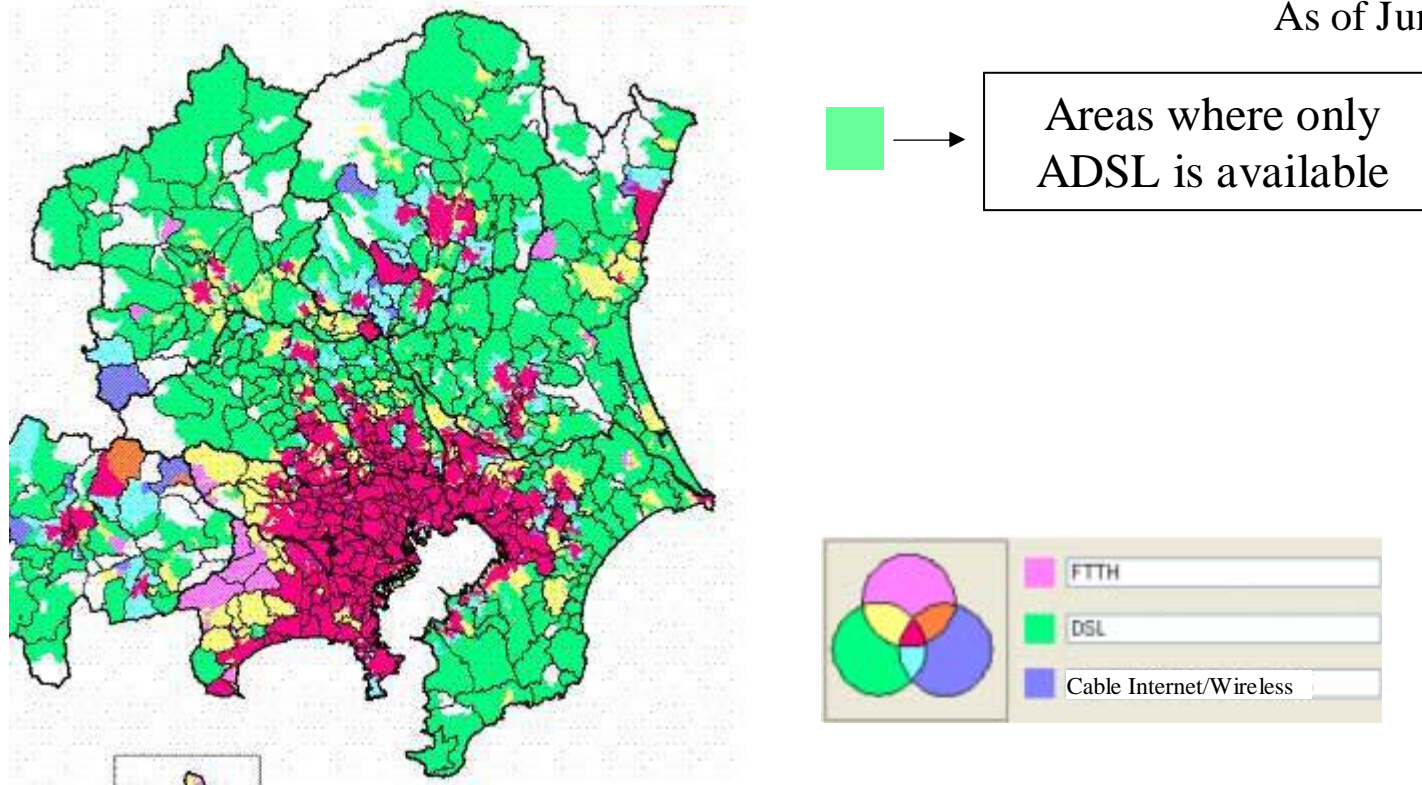
**Churn improved in 2Q from high moving season in 1Q.
Churn to FTTH remains at manageable level**



Service Area Coverage ADSL vs FTTH

Much wider service area for ADSL compared to FTTH in Kanto Area
Much weaker FTTH coverage outside metropolitan areas

As of June 2006



Source: MIC Japan's broadband map

http://www.soumu.go.jp/joho_tsusin/broadband/map/index.html

ADSL Pricing vs FTTH and Dial-up

**A wide range of ADSL service menu vs FTTH
ADSL pricing remains competitive vs FTTH and Dial-up**

		<u>Total Monthly Payment</u>
Dial Up: (5hours)	Monthly charge 950 yen + 850 yen	1,800 yen
ADSL : 960K	Monthly charge 1,890 yen	1,890 yen
ADSL : 12M	Monthly charge 2,000 yen	2,000 yen
ADSL : 50M	Monthly charge 3,770 yen	3,770 yen
Dial Up: (11hours)	Monthly charge 2,000 yen + 1,870 yen	3,870 yen
FTTH (B FLET's): Apartment type	Monthly charge 4,150 yen	4,150 yen
FTTH (B FLET's): Home type	Monthly charge 6,400 yen	6,400 yen

Note) Above comparison is based on tariff in November 2006.

NTT dial up charge (8.5 yen/3mins)

WiMAX Business Update

Commenced preparation to obtain WiMAX 2.5GHz license

MIC

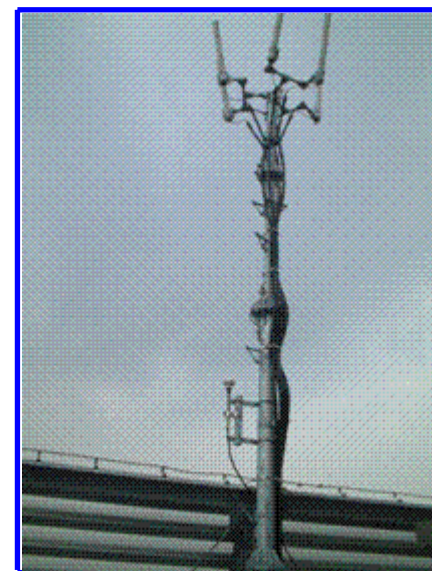
- Plan to participate in the MIC's public hearing on the 2.5GHz spectrum.

Technology

- Conducting 2.5GHz field trial at 3 base stations in the Tokyo 23 wards.
- Submitted the field trial data to the 2.5GHz technical study group.

Standardization

- Participate in the WiBro Mobile WiMAX Community (WMC)
- Participate in the WiMAX forum



WiMAX Antenna

Mobile Business

EMOBILE Highlights

Network Update

Focus network rollout in Tokyo Osaka Nagoya area

Signed roaming agreement with NTT DoCoMo

Commenced mobile data card field trial in Tokyo

Terminals & Others

Expect initial launch of mobile data service in March 2007

Strengthen provisioning, billing & SDP systems

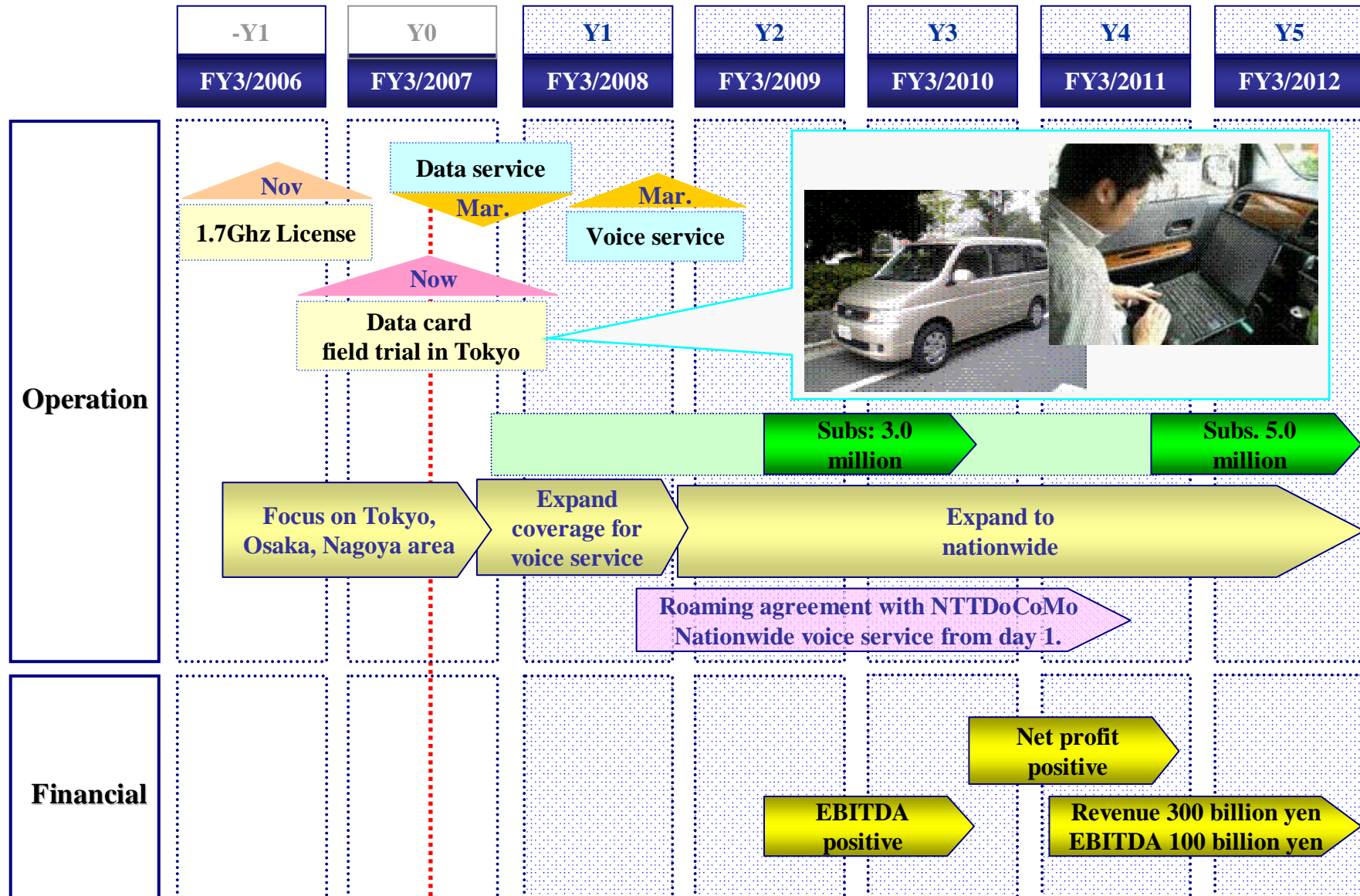
Change in eMobile logo

Financials

Expect a large increase of mobile capex in 2H

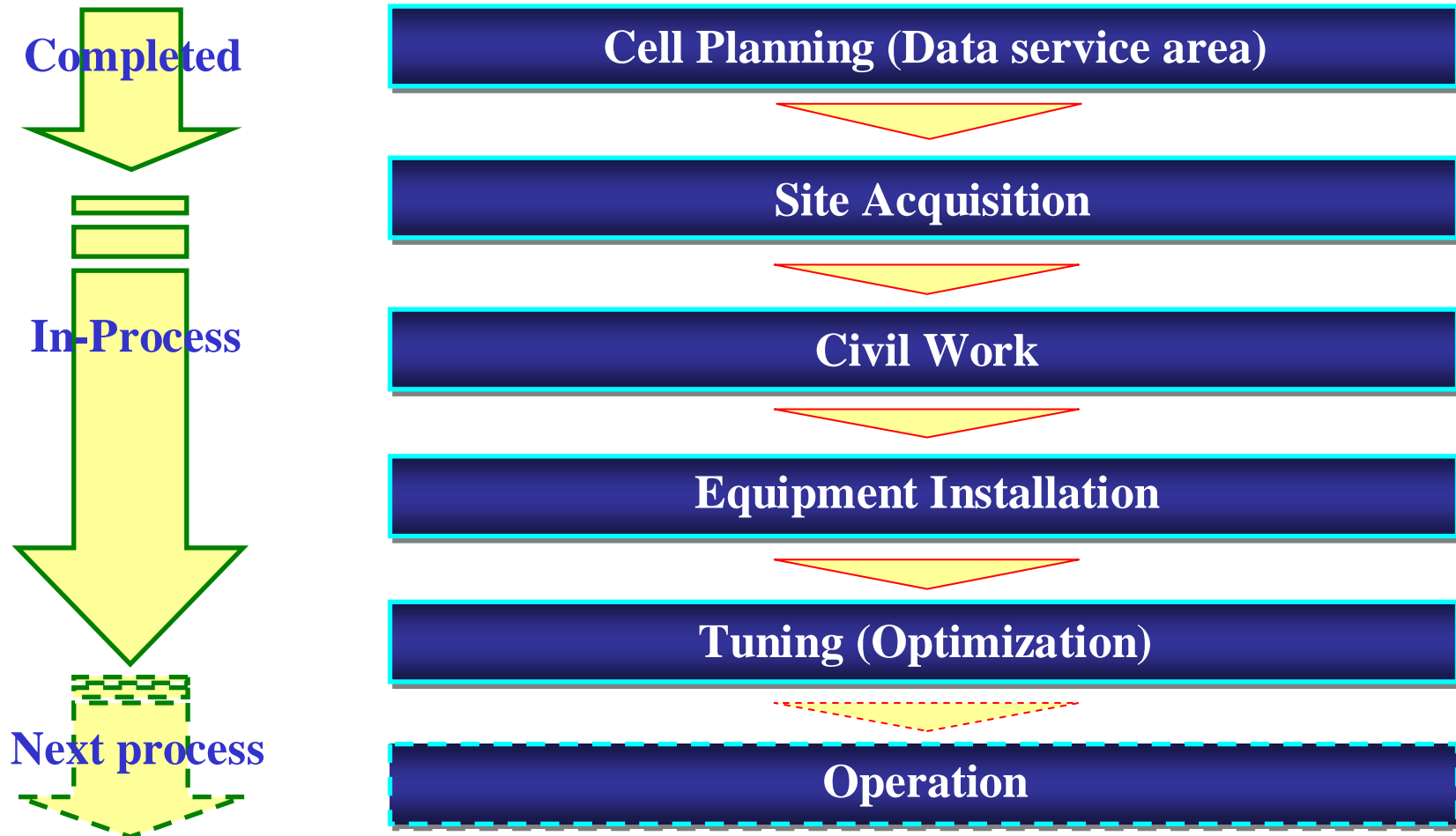
Revised FY3/2007 forecast to reflect the latest cell planning and related costs

EMOBILE Business Plan Schedule



Network Construction Process

Focused on cell planning and site acquisition in 1H
Civil work and equipment installation are in-process
Network capex is recognized when the equipment installation is completed

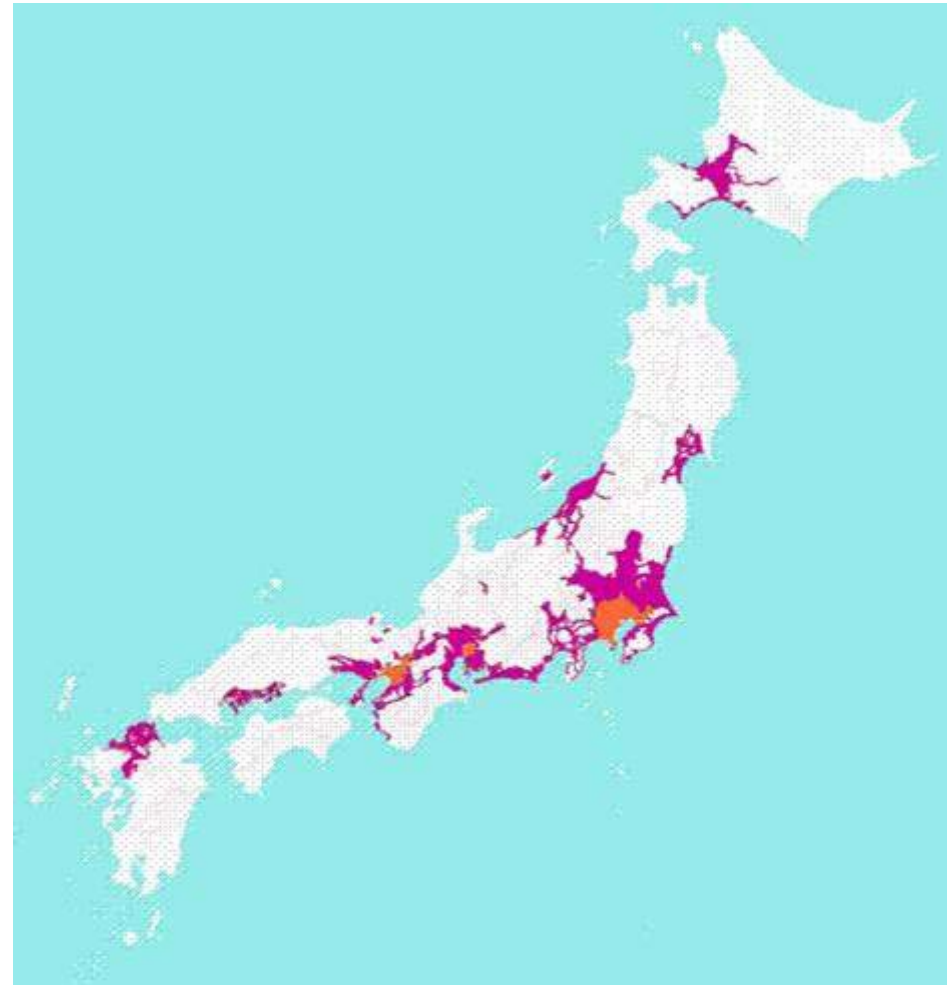


Service Area and Roaming Area

Continue to expand eMobile network and launch nationwide voice service in March 2008 by roaming to NTT DoCoMo network

Service area (Plan)

- 3/2007
Data service in Tokyo, Osaka, Nagoya areas in 3/2006. (Light Pink)
- 3/2008
Plan to offer voice services in Tokyo, Osaka, Nagoya Fukuoka, Niigata, Sapporo, Sendai, Hiroshima. (+Dark Pink). Roaming with NTT DoCoMo for the rest of the areas (+White)
- Plan to complete a full nationwide network by 10/2010.



EMOBILE Entry Strategy

Network Development

- Greenfield Network design/construction
- Partner with reputable Global vendors
- Compact base station rollout strategy
- Next generation global standard
3.5G HSDPA and IP backbone
- Roaming with NTT DoCoMo

Handset

- Data centric terminal
- Compact size terminal – slim & large screen
- Global standard technology

Applications / SDP

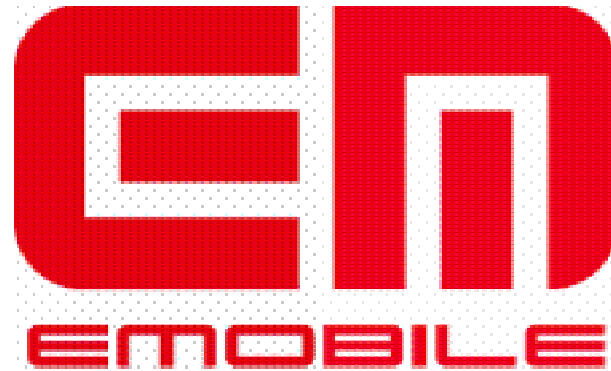
- Next generation Service Delivery Platform
- Focus on scale and flexibility

Sales / Marketing

- Synergy with ADSL/ISP businesses
 - Shop-in-shop retail channels
 - MVNO partners
 - FMC bundling services

- 1. Lower Capex**
- 2. Lower Running Cost**
- 3. More Flexibility**
- 4. More Advanced Design and System**

Mobile Service Branding



The meaning of
「Red」 as our corporate color;

- 1. Passion, Energy, Challenge**
- 2. Infinite Possibility**
- 3. eMobile's Challenge**

The design of the new logo
represents;

- 1. Sharpness**
- 2. User Friendliness**

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