

eAccess Limited 【9427】

**1st Quarter Results for Fiscal Year Ending 3/2008
(4/2007 ~ 6/2007)**



August 8th , 2007

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FY3/2008 1Q Highlights

| | |
|---|--|
| Financials | Lower-than-expected EMOBILE losses |
| | Maintained high operating margin of ADSL/ISP businesses |
| | Upward revision of full year parent & consolidated earnings |
| Network | Maintained low churn on ADSL (2.04%) |
| | Rising demand for bundled HSDPA & ADSL services |
| Device (Established in June) | Launched Apple compatible USB device in June |
| EMOBILE (Equity account method since June) | Rising demand for mobile data services with low churn at approx. 1% |
| | Continue nationwide area expansion before voice service launch |
| Dividend | Plan to pay quarterly dividend of 575 yen per share |

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FY3/2008 1Q Consolidated Financial Results

In-line with expected parent results & lower-than-expected 1Q mobile losses

| | FY3/2007 1Q (2006/4-6) | | | FY3/2008 1Q (2007/4-6) | | | | YoY |
|------------------|---------------------------|--------|--------------|---------------------------|-------------------------|----------------------------------|--------------|--------|
| | Parent | Mobile | Consolidated | Parent | Mobile (April & May) | EM Equity Method (June) | Consolidated | |
| (billion yen) | | | | | | | | |
| Revenue | 14.29 | - | 14.29 | 13.92 | 1.51 | | 15.10 | 0.81 |
| Operating profit | 3.26 | - 1.10 | 2.16 | 2.75 | - 4.24 | | - 1.51 | - 3.67 |
| Recurring profit | 2.93 | - 1.61 | 1.32 | 2.48 | - 4.50 | - 1.25 | - 3.28 | - 4.60 |
| Net Income | 1.75 | - 1.62 | 0.97 | 3.55 | - 2.00 | - 1.25 | 1.52 | 0.55 |
| EBITDA | 5.69 | - 1.09 | 4.60 | 4.67 | - 3.30 | | 1.40 | - 3.20 |
| Capex | 1.46 | 0.47 | 1.93 | 1.31 | 8.31 | | 9.62 | 7.69 |
| Depreciation | 2.43 | 0.01 | 2.44 | 1.92 | 0.94 | | 2.90 | 0.46 |

- (1) FY3/2007 includes 0.72 billion yen and FY3/2008 includes 2.55 billion yen of minority adjustments in net income lines.
- (2) FY3/2008 includes 3.5 billion yen of gain on EMOBILE share sales.

FY3/2008 1Q Parent Financial Results

Maintained high ADSL/ISP operating margin at 22.9%

Decline in parent profits was due to start-up costs of backbone and device businesses

| | FY3/2007 1Q | | FY3/2008 1Q | | ADSL·ISP (Reference) | ADSL·ISP YoY |
|------------------|----------------|--------|----------------|----------|-------------------------|-----------------|
| | Parent | Parent | Forecast | Progress | | |
| (billion yen) | | | | | | |
| Revenue | 14.29 | 13.92 | 60.70 | 22.9 % | 13.24 | - 1.05 |
| Operating profit | 3.26 | 2.75 | 7.60 | 36.2 % | 3.09 | - 0.17 |
| Recurring profit | 2.93 | 2.48 | 6.50 | 38.2 % | -- | -- |
| Net Income | 1.75 | 3.55 | 6.00 | 59.2 % | -- | -- |
| EBITDA | 5.70 | 4.67 | 16.10 | 29.0 % | 4.77 | - 0.93 |
| Capex | 1.46 | 1.31 | 10.30 | 12.7 % | 0.29 | - 1.17 |
| Depreciation | 2.43 | 1.92 | 8.50 | 22.6 % | 1.68 | - 0.75 |

- (1) FY3/2007 includes 0.72 billion yen and FY3/2008 includes 2.55 billion yen of minority adjustments in net income lines.
- (2) FY3/2008 includes 3.5 billion yen of gain on EMOBILE share sales.

FY3/2008 Full Year Upward Revisions

| | FY3/2008 | | | | | | Reasons for Revisions |
|------------------|-------------------|--------------|-----------------|--------------|------------|--------------|---|
| | Previous(5/14/07) | | Revised(8/8/07) | | Comparison | | |
| | Parent | Consolidated | Parent | Consolidated | Parent | Consolidated | |
| (billion yen) | | | | | | | |
| Revenue | 60.70 | 63.00 | 60.70 | 62.20 | -- | - 1 % | Reflected lower-than-expected April and May mobile actual results |
| Operating profit | 6.70 | 2.00 | 7.60 | 3.30 | +13 % | +65 % | |
| Recurring profit | 5.60 | - 10.50 | 6.50 | - 9.10 | +16 % | +13 % | Capex reduction due to a reduction in service delivery platform capex |
| Net Income | 5.40 | - 7.30 | 6.00 | - 5.90 | +11 % | +19 % | |
| EBITDA | 15.50 | 12.00 | 16.10 | 12.80 | +4 % | +7 % | |
| Capex | 15.50 | 30.00 | 10.30 | 18.60 | - 34 % | - 38 % | |
| Depreciation | 8.80 | 10.00 | 8.50 | 9.40 | - 3 % | - 6 % | |
| FCF | 0 | - 18.00 | 5.80 | - 5.8 | na | +68 % | Improvement in overall Free Cash Flow |

*FCF = EBITDA – Capex

Consolidated Earnings Divisional Forecasts

Expect decline in earnings YoY in 1Q and 1H due to mobile losses
Recovery on YoY earnings is expected in YTD 3Q and FY forecasts

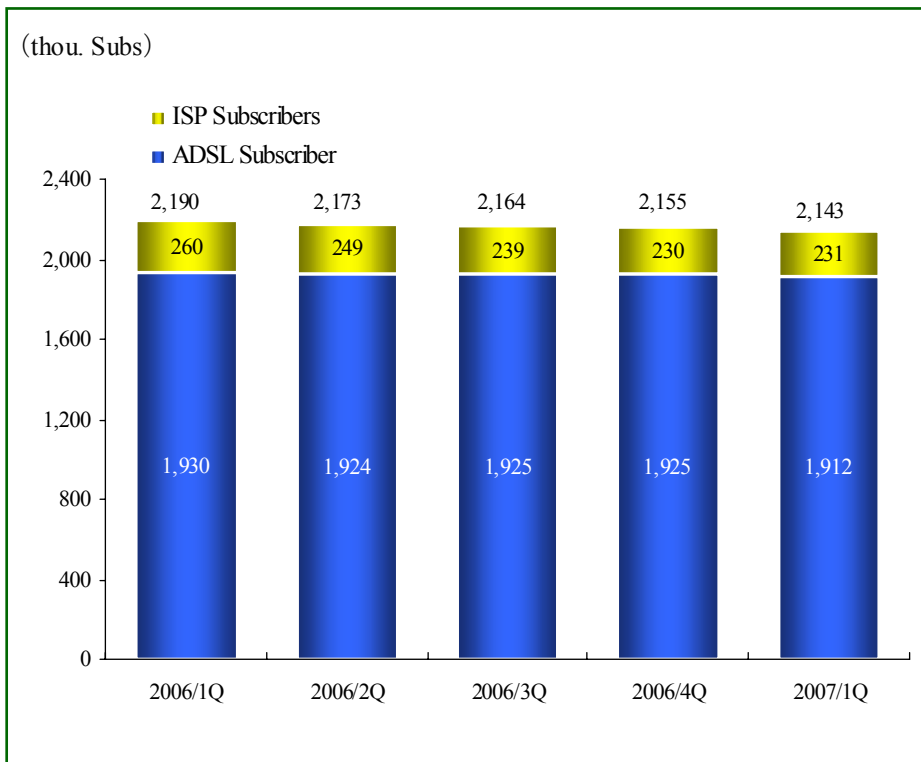
| | FY3/2008 | | | | | Consolidated |
|------------------|----------|--------|----------------------|--------------------|-------------------|--------------|
| | Network* | Device | Mobile 07/4, 07/5 | EM Sales Profit | EM 07/6 – 08/3 | |
| (billion yen) | | | | | | |
| Revenue | 52.70 | 8.00 | 1.50 | | | 62.20 |
| Operating profit | 9.90 | - 2.30 | - 4.30 | | | 3.30 |
| Recurring profit | 8.80 | - 2.30 | - 4.50 | | - 11.10 | - 9.10 |
| Net Income | 5.30 | - 1.40 | - 2.00 | 3.30 | - 11.10 | - 5.90 |
| EBITDA | 18.20 | - 2.10 | - 3.30 | | | 12.80 |
| Capex | 8.70 | 1.60 | 8.30 | | | 18.60 |
| Depreciation | 8.30 | 0.20 | 0.90 | | | 9.40 |

*Network Business : ADSL Business, ISP Business, Backbone Business, WiMAX Business

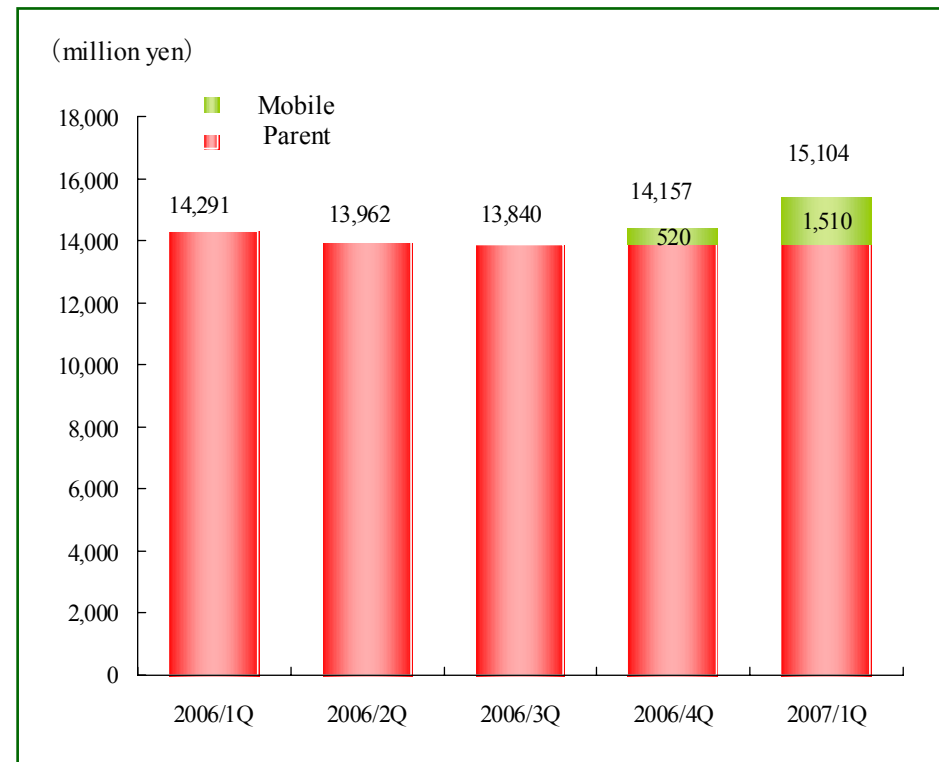
ADSL/ISP Subscriber and Revenue

Subscriber decline was in-line with expectations. Increase in consolidated mobile revenue

ADSL/ISP Subscribers



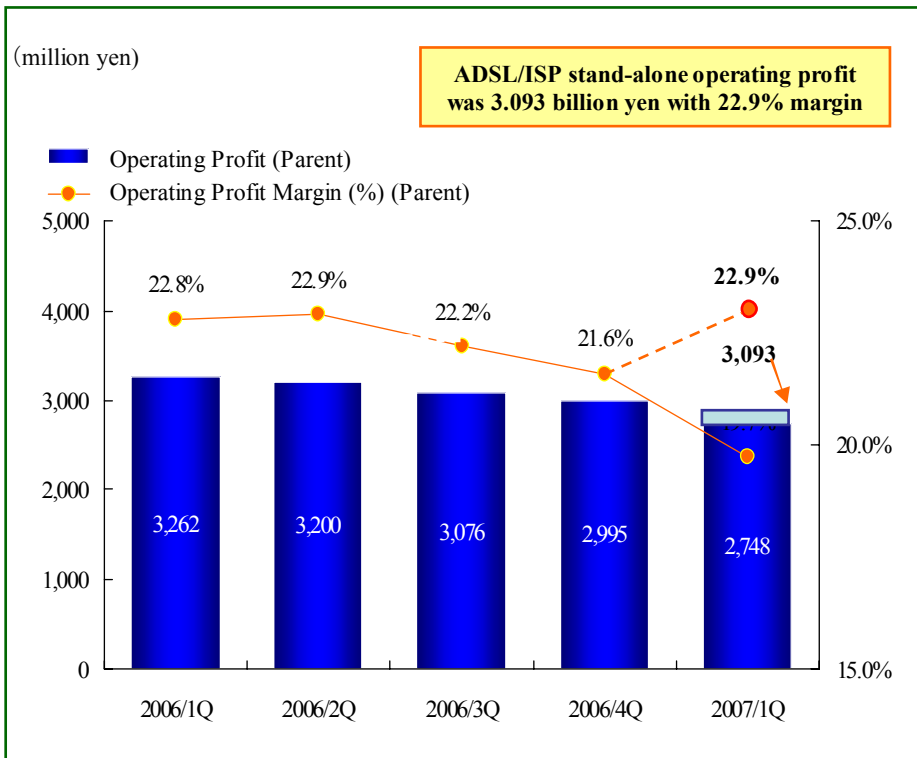
Revenue (Consolidated)



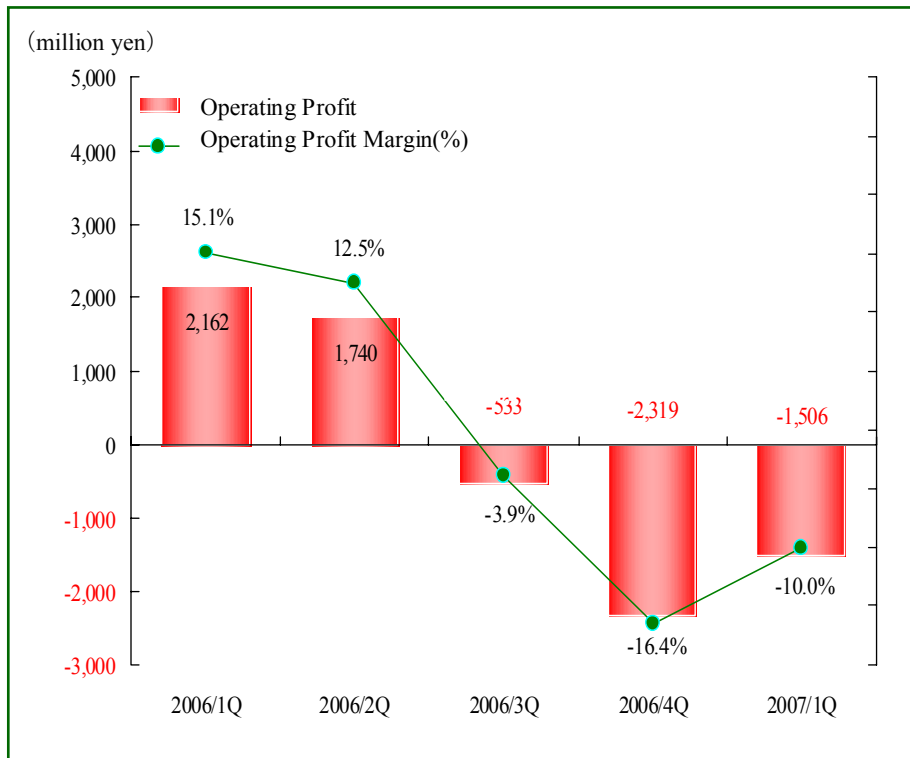
Operating Profit Trend

**Decline in parent earnings was due to backbone and device start-up losses.
Consolidated operating losses are expected to recover from 2Q.**

Operating Profit and Operating Margin Trend (Parent)



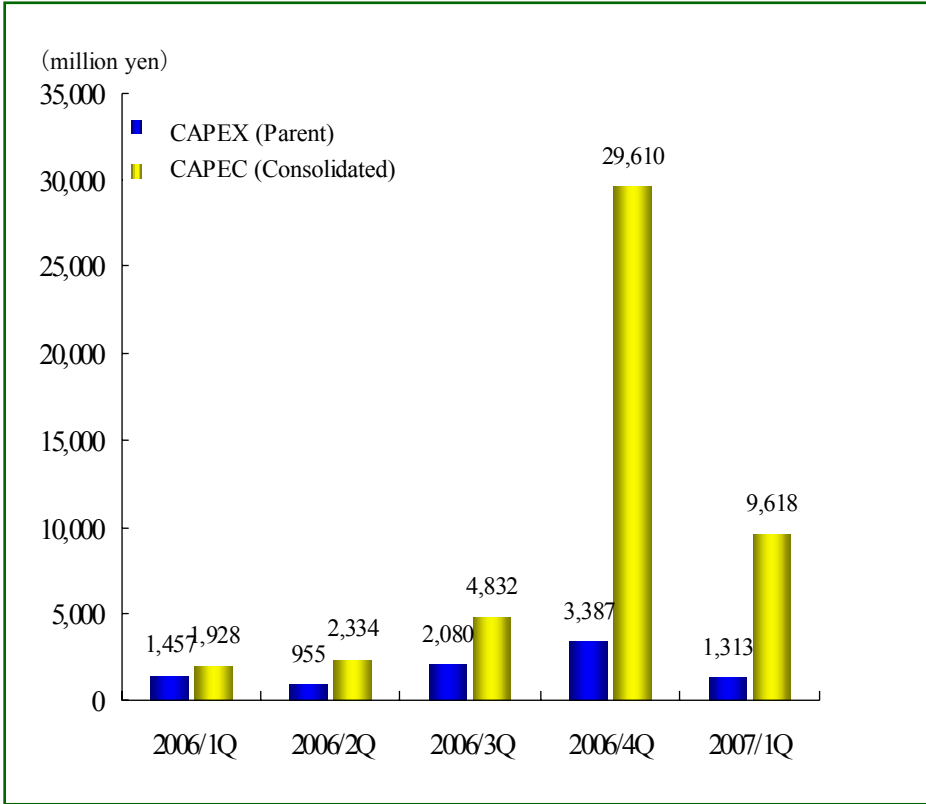
Operating Profit and Operating Margin Trend (Consolidated Basis)



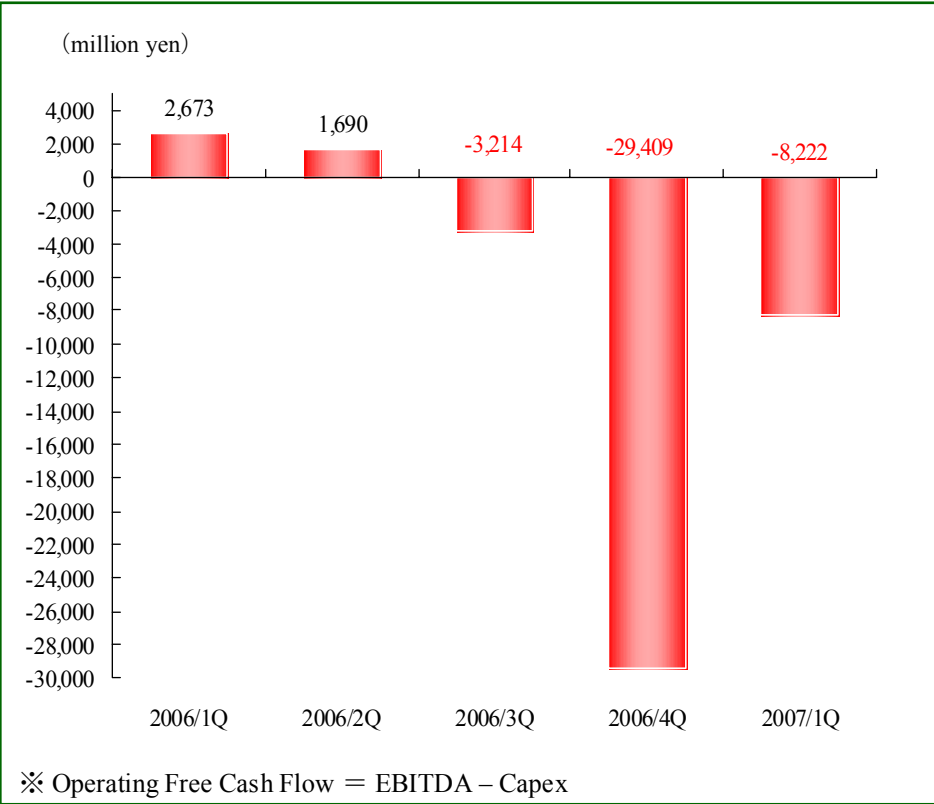
Capex and Operating FCF Trend

Improvement in Free Cash Flow due to a decline in service delivery platform capex

Consolidated Capex Trend



Consolidated Operating Free Cash Flow* Trend



Balance Sheets

**Improvement in parent cash and net debt position
EMOBILE balance sheet was 'deconsolidated' from eAccess consolidated balance sheet**

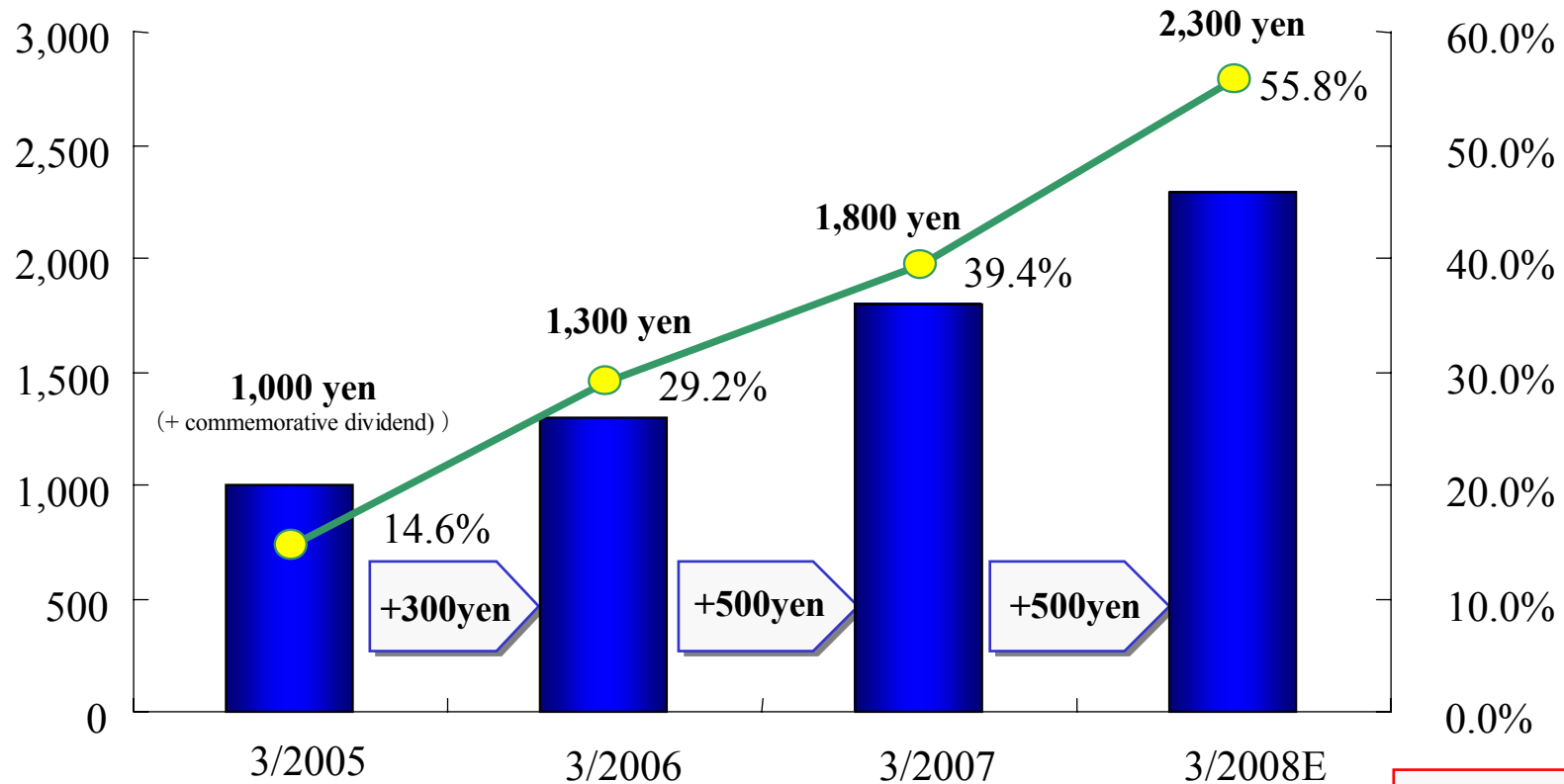
| | As of March 31, 2007 | | As of June 30, 2007 | | |
|----------------------------|----------------------|--------------|---------------------|--------------|------------------------|
| | Parent | Consolidated | Parent | Consolidated | EMOBILE (Reference) |
| (billion yen) | | | | | |
| Cash and Cash Deposit | 51.01 | 160.93 | 61.12 | 62.04 | 77.48 |
| Debt | 88.45 | 89.90 | 87.17 | 87.17 | 10.95 |
| Net Debt | 37.44 | - 71.03 | 26.05 | 25.13 | - 66.53 |
| Minority Interest | -- | 77.09 | -- | 0.68 | -- |
| Total Shareholders' Equity | 38.92 | 32.23 | 42.47 | 33.75 | 120.58 |
| Total Asset | 139.57 | 237.84 | 141.57 | 133.73 | 151.65 |
| Net Debt/Equity ratio(%) | 96.2 % | - 220.4 % | 61.3 % | 74.5 % | - 55.2 % |

Shareholders Return

Improving shareholders return by increasing dividend payout

(Dividend per share, yen)

(Dividend payout ratio
- eAccess parent basis)



| Dividend Yield | 3/2005 | 3/2006 | 3/2007 | 3/2008E |
|----------------|---------------------|---------------------|---------------------|---------------------|
| | 1.32% ^{*1} | 1.43% ^{*1} | 2.30% ^{*1} | 3.65% ^{*2} |

**Among highest
dividend yield
in Japan**

*1 Based on the March end stock price of each fiscal year.

*2 Based on the stock price on August 7, 2007 of 63,100 yen.

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Network Business

ADSL Business

- Maintained low ADSL churn rate at 2.04%
- Rising demand for newly launched ADSL and mobile broadband bundled service
- Plan to continue market share expansion in ADSL services

ISP Business

- Strong demand for ADSL AOL 12M services
- Achieved AOL subscriber net addition in July

Backbone Business

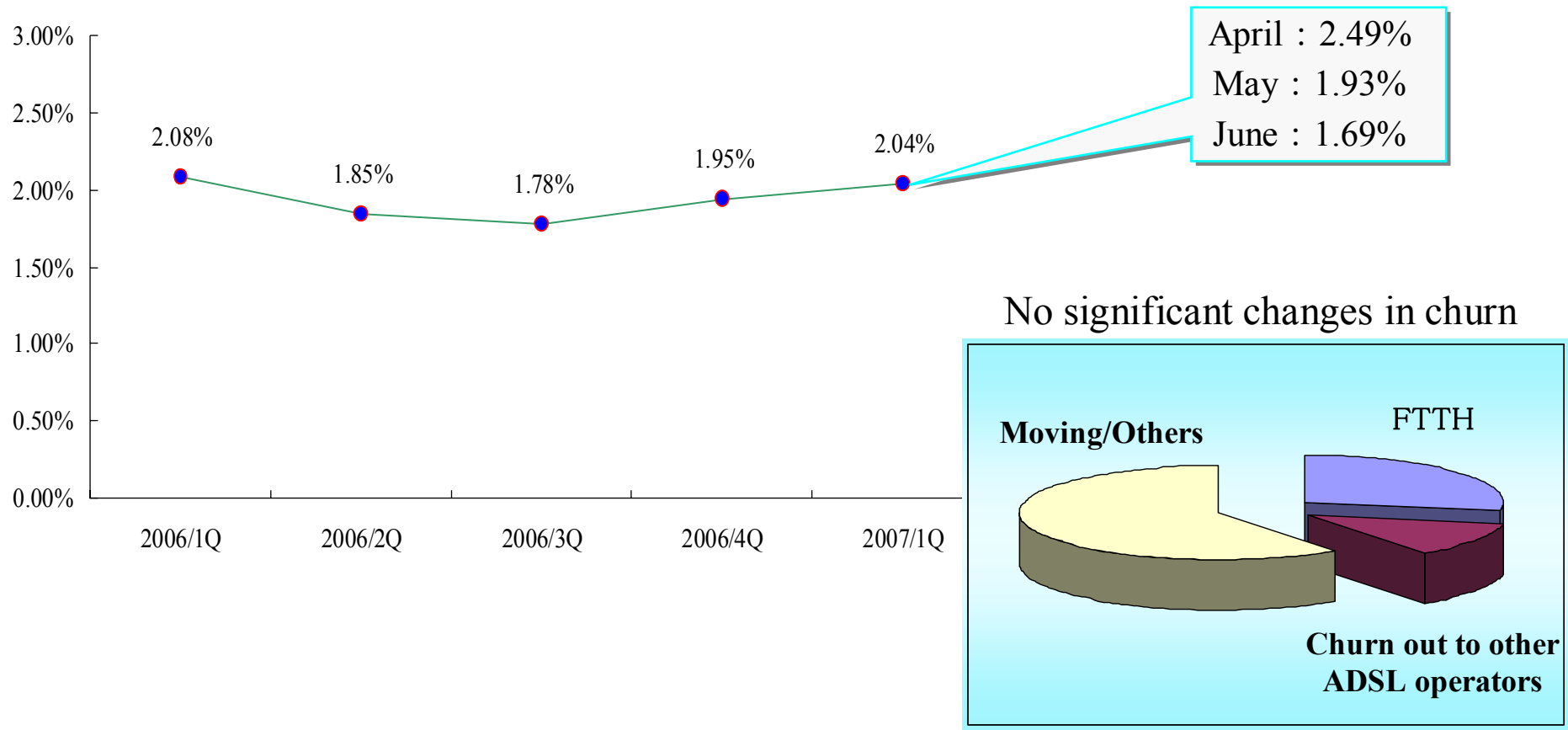
- Expanding backbone service areas to match EMOBILE nationwide expansion plan

WiMAX Business

- Prepare for the 2.5GHz license application in FY3/2008 together with Softbank alliance

ADSL Churn Trend

Achieved 2.04% churn rate in 1Q, an improvement by 0.04% point YoY
Improvement in YoY churn rate comparison

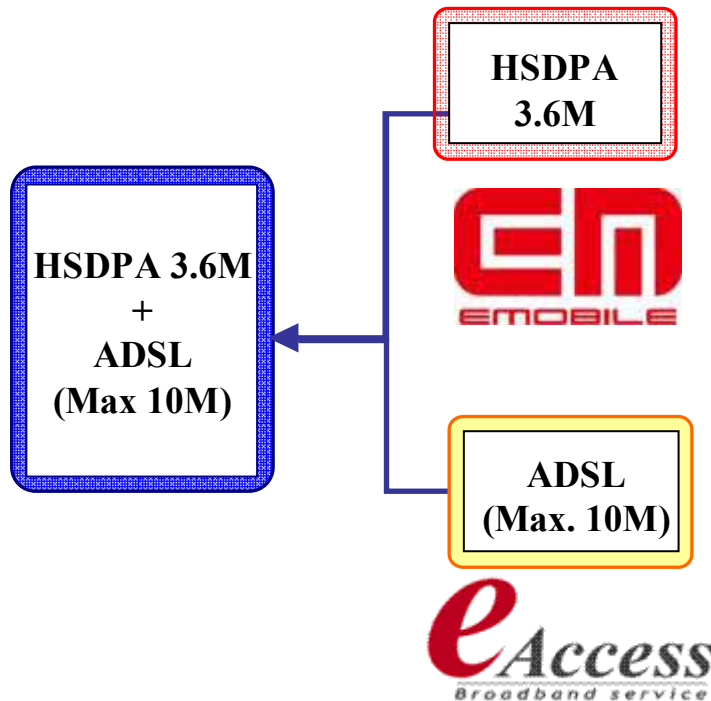


Co-Promotional activities with EMOBILE

**Strengthen Mobile Broadband +ADSL bundled services
Plan to expand through leveraging with EMOBILE retail channels**

**Introduced Japan's first
Mobile+ADSL Bundled service**

Extensive Retail Distribution Channel



**eAccess
Shop in shop**

**EMOBILE
Shop in Shop**



**Monthly fee including ADSL bundled service
2,480 yen ~ 6,480 yen**

Device Business

Device Business Road Map

**Established Device Business Division in June 2007
supplying handsets to EMOBILE**



Mar-07

**EM•ONE
(SHARP)**



- 4.1" Wide-VGA
- 1seg-TV
- WindowsMobile5.0

Mar-07

D01NE (NEC)



- HSDPA 3.6Mbps
- PCMCIA Card

Apr-07

D01NX (NIX)



- HSDPA 3.6Mbps
- CF Card

Fall-07

D02OP (OPTION)

- HSDPA 3.6Mbps
- Express34
- Windows & Mac OS



Jun-07

D01HW (Huawei)



- HSDPA 3.6Mbps
- USB 1.1/2.0
- Windows & Mac OS

Spring-08

**Voice
Handsets**

2007.3

2007.4

2007.5

2007.6

2007.7~

EMOBILE

EMOBILE Highlight

- Achieved **approx. 60,200 subscribers** in the first 3 months since mobile data service launch on March 31, 2007

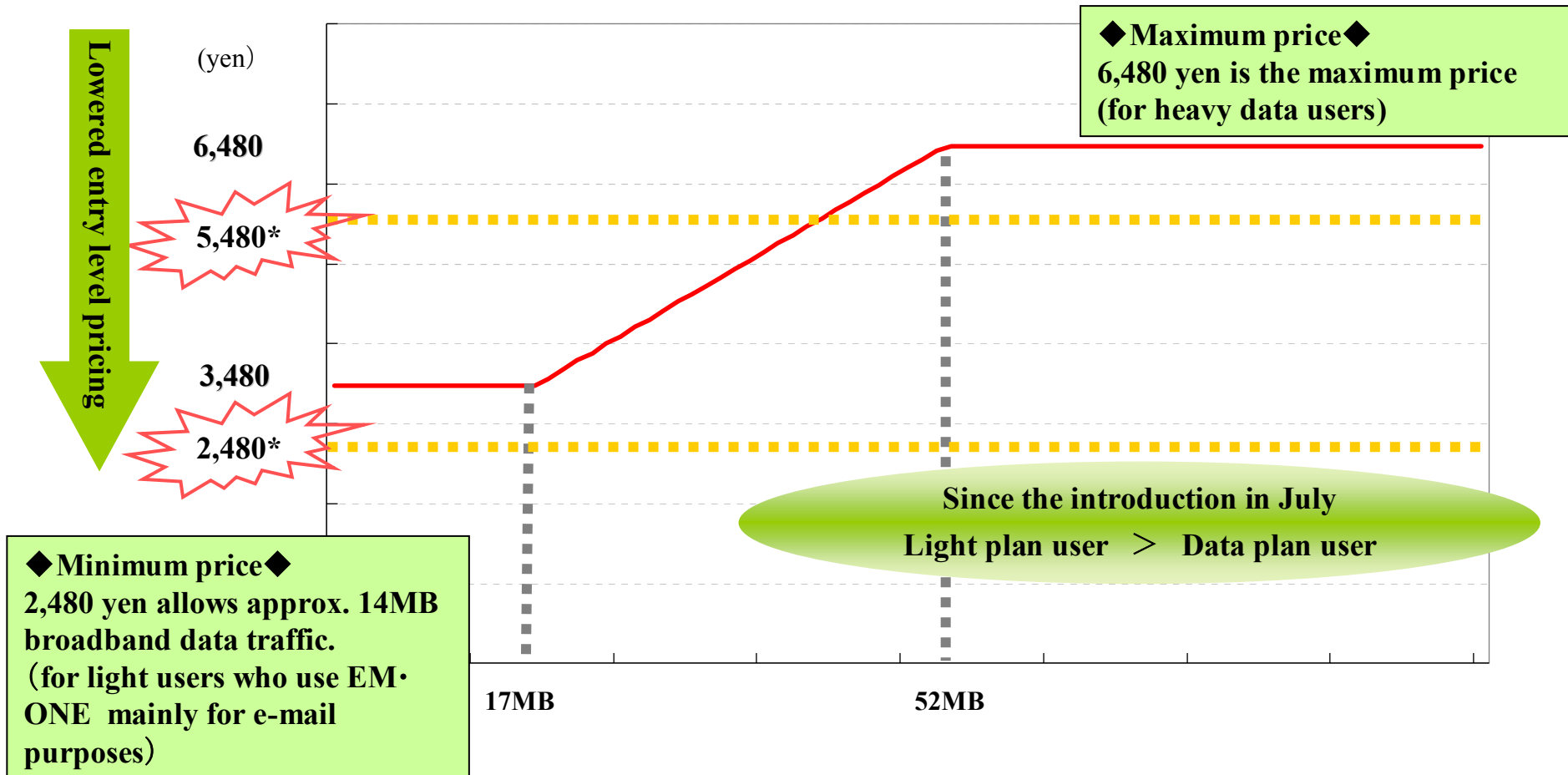
- Maintained low churn rate **at approx. 1%**

- Continue service area expansion to **other major cities outside of Tokyo, Osaka and Nagoya areas**

- Maintained solid cash position of approx. 77.5 billion yen
Secured **more than 300 billion yen capital** through equity and debt financing

Double Flat Rate “Light Data Plan”

Entry level rate at minimum 2,480 yen including ADSL
Targeting to acquire light users



(*this price applies when you are subscribing to annual discount of “Nen Toku Wari”)

Service Area Expansion

**Offer data service in Tokyo, Osaka, Nagoya and suburban areas
To expand to Shizuoka, Nara, Hiroshima and other major cities from August**

Kanto



Kansai



Tokai



Kyushu



Hokkaido



Tohoku



CM Concept

| | Step1: Brand Awareness | Step2: Product Recognition |
|----------------------|---|--|
| Purpose | Increase EMOBILE brand recognition | Interest Creation |
| Summary | Strong demand for Mobile broadband | Flat rate & Product merit |
| Target | Consumers requiring broadband service outdoor | Heavy mobile data traffic users |
| | Through TV, newspapers, Internet and stores | |
| TV Commercial |  |  |

Joint Promotions

Joint promotions with leading Internet companies

Apple
(Since June 2007)

**Distribution of D01HW
(Mac OS compatible
HSDPA data card)
through “Apple Corner”
of retail stores**



Google
(Since July 2007)

**Promote Google Map and
Gmail with EM•ONE**

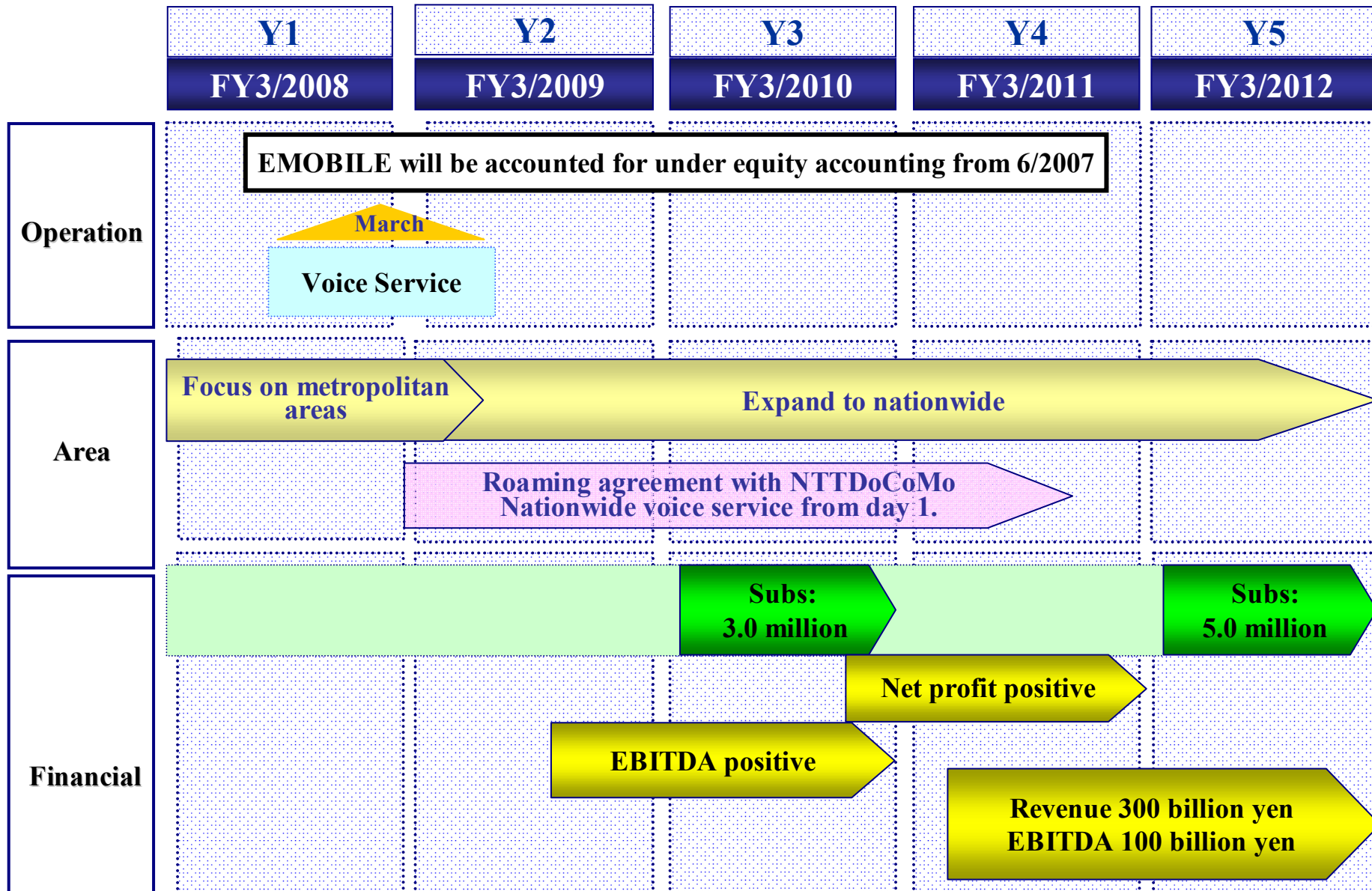


Mixi
(July – September 2007)

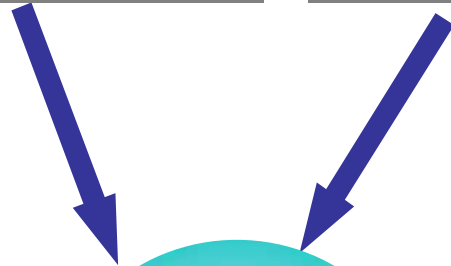
**Launched “EM•ONE”
monitor campaign in
Mixi, targeting 20s – 30s
potential users**



EMOBILE Business Plan Schedule



Preparation for WiMAX license application

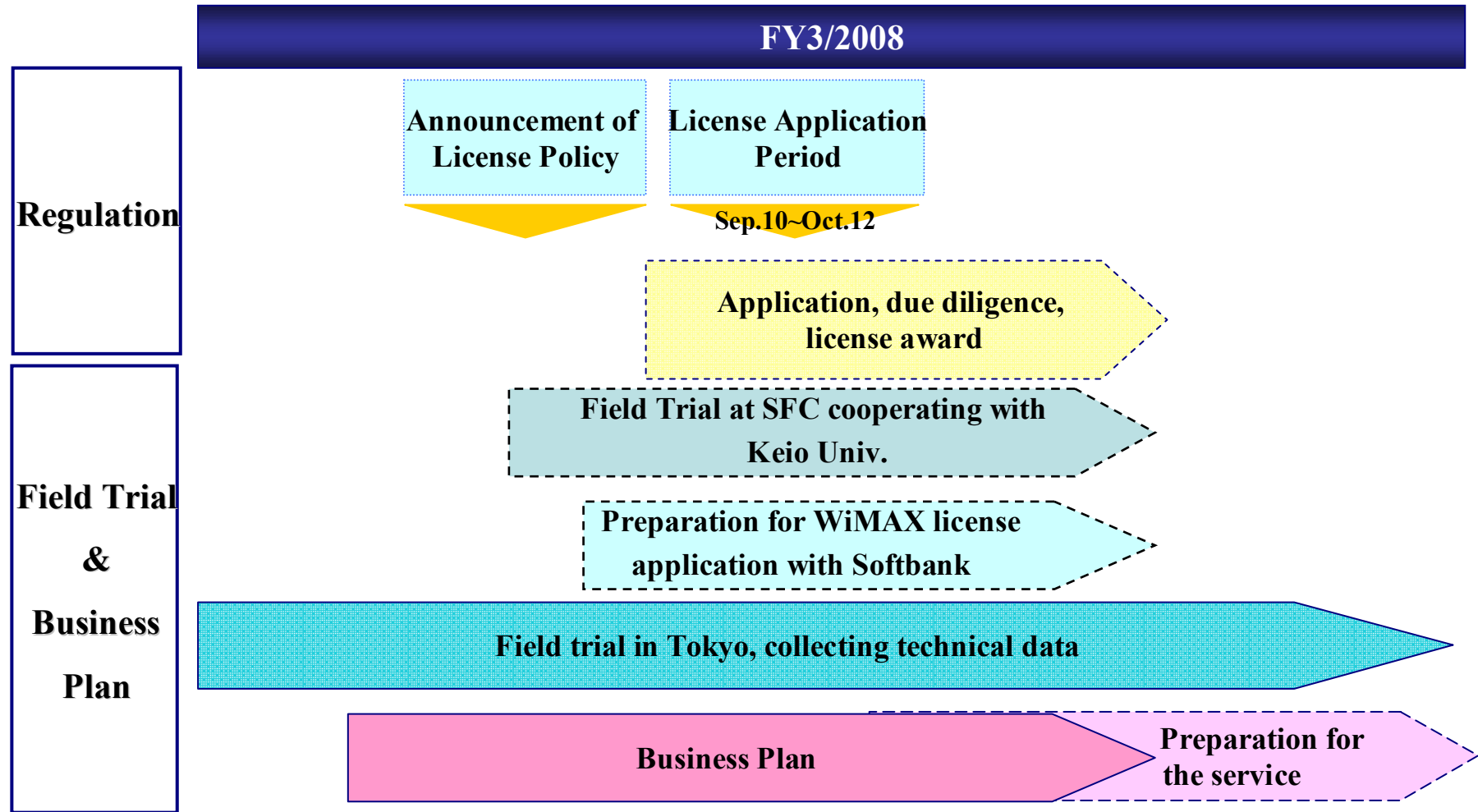


eAccess / Softbank Strengths

1. Synergy with existing 3G business
 - Fast network build-out and lower capex through site sharing
 - Sales through existing distribution channels
 - Potential eAccess and Softbank group users
2. Experience in wholesale business
3. Field trial in Tokyo
4. Financing track record
5. Management track record in mobile business

WiMAX Business Roadmap (Plan)

Preparing to apply for 2.5GHz mobile WiMAX license by conducting field trial at Keio SFC campus and alliance with SoftBank



Field Trials

**Achieved 10Mbps downlink speed in stable environment,
stable high speed data transmission while driving**



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