

eAccess Limited 【9427】

**3Q(cumulative) Results for Fiscal Year Ending 3/2010
(4/2009 ~ 12/2009)**



February 9, 2010

I. FY3/2010 3Q (cumulative) Results Highlight

Page 3

II. eAccess

Page 12

III. EMOBILE

Page 14

IV. Appendix

Page 32

I. FY3/2010 3Q (cumulative) Results Highlight

Page 3

II. eAccess

Page 12

III. EMOBILE

Page 14

IV. Appendix

Page 32

Record high in operating & recurring profits

EMOBILE turned operating profits

Revise up full year earnings forecasts

Consolidated Financial Results

- Record high in consolidated operating profit, up 28.3% YoY
- Turned profit at consolidated net level for accumulated 3Q

	FY3/2009	FY3/2010			
	3Q (4~12/2008)	3Q (4~12/2009)	Diff (%)	Previous Forecast (11/12/2009)	Progress (%)
(billion yen)					
Revenue	70.41	63.16	- 10.3%	81.00	78.0%
Operating Profit	12.19	15.64	+ 28.3%	18.80	83.2%
<i>EM Accounting Losses</i>	- 13.38	- 5.46	na	- 6.00	na
Recurring Profit (Losses)	- 2.57	8.52	na	10.30	82.7%
Net Income (Losses)	- 7.85	3.21	na	4.00	80.2%
EBITDA	17.44	21.23	+ 21.7%	26.40	80.4%
Capex	3.55	2.73	-22.9%	4.40	62.1%
Deprecation	5.25	5.59	+6.4%	7.60	73.5%
Operating FCF	13.89	18.49	+33.1%	22.00	84.1%

Note 1 : eAccess consolidated ACCA from 9/1/2008 and fully merged with ACCA on 6/25/2009.

Note 2: Operating Free Cash Flow = EBITDA - Capex

- Revised up full-year consolidated earnings forecast

	FY3/2009	FY3/2010	
	Actual Results	Previous Forecast (11/12/2009)	Revised Forecast (2/9/2010)
(billion yen)			
Revenue	94.47	81.00	82.00
Operating Profit	16.71	18.80	19.00
<i>EM accounting Losses</i>	- 17.28	- 6.00	- 5.60
Recurring Profit (Losses)	- 2.59	10.30	10.80
Net Income (Losses)	- 9.85	4.00	4.50
EBITDA	24.01	26.40	26.60
Capex	5.84	4.40	4.20
Depreciation	7.30	7.60	7.60
Operating FCF	18.17	22.00	22.40

Note 1 : eAccess consolidated ACCA from 9/1/2008 and fully merged with ACCA on 6/25/2009.

Consolidated Cash Flows

- Consolidated net free cash flow doubled from the previous year

	FY3/2009	FY3/2010			
	3Q (4~12/2008)	3Q (4~12/2009)	Diff (%)	Previous Forecast (11/12/2009)	Revised Forecast (2/9/2010)
(billion yen)					
EBITDA	17.44	21.23	+ 21.7%	26.40	26.60
Capex	- 3.55	- 2.73	- 22.9%	- 4.40	- 4.20
Operating FCF	13.89	18.49	+ 33.1%	22.00	22.40
Interest (net of interest income)	- 1.35	- 0.91	- 32.9%	- 1.70	- 1.70
Tax (Corporate. Tax, etc.)	- 4.20	- 3.57	- 15.0%	- 5.20	- 5.20
Dividend (net of div. income) ^{*2}	- 2.53	- 2.68	+ 5.9%	- 3.60	- 3.60
Net FCF	5.82	11.34	+ 95.1%	11.50	11.90

Note 1 : eAccess consolidated ACCA from 9/1/2008 and fully merged with ACCA on 6/25/2009.

Note 2 : Dividends of fully year forecast are based on the current dividend policy.

Consolidated Balance Sheets

- Strong improvement in consolidated balance sheet

	FY3/2009		FY3/2010		
	As of 2008/12	As of 2009/3	As of 2009/6	As of 2009/9	As of 2009/12
(billion yen)					
Cash and Cash Deposit	68.54	68.54	57.64	57.72	68.20
Debt	107.39	103.89	90.33	87.15	94.67
Net Debt	38.84	35.35	32.69	29.43	26.47
Shareholders' Equity	12.78	9.96	11.78	11.01	12.58
Net Assets	15.14	12.70	12.03	11.27	13.01
Total Assets	137.45	129.05	112.99	112.75	129.50
Net Debt/Net Assets Ratio (%)	256.6%	278.3%	271.8%	261.1%	203.6%
Net Debt/EBITDA Ratio (%) ^{*2}	172.2%	147.2%	127.0%	106.7%	95.2%

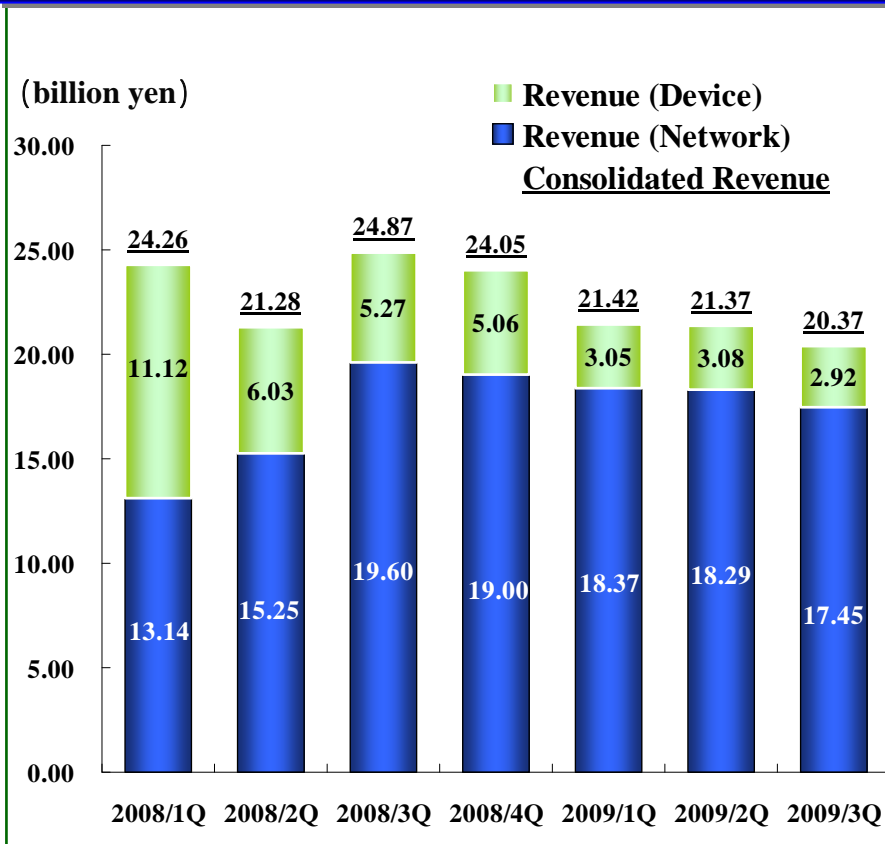
Note 1 : eAccess consolidated ACCA from 9/1/2008 and fully merged with ACCA on 6/25/2009.

Note 2 : EBITDA figures are accumulation of 4 quarters ending at each accounting date.

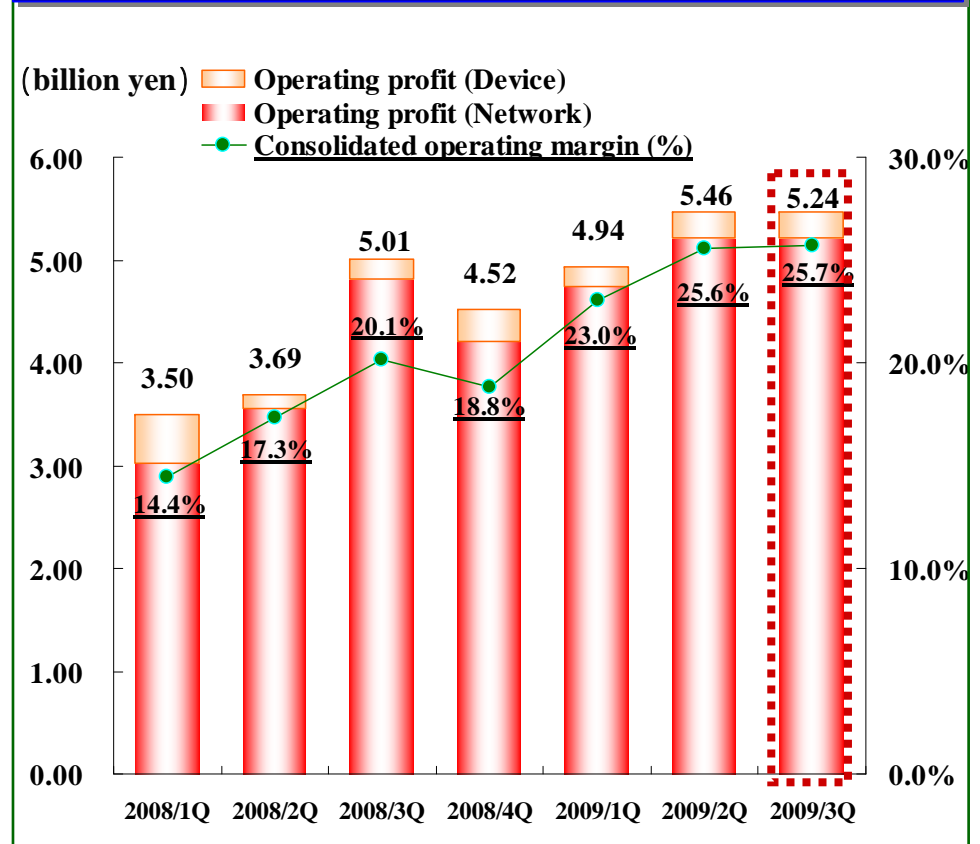
Consolidated Revenue & Operating Profit Trends

- Record high 3Q accumulated consolidated operating profit
- 3Q operating margin improved to 25.7% from 20.1% (3Q/2008)

Consolidated Revenue Trend



Consolidated Operating/Margin Trend

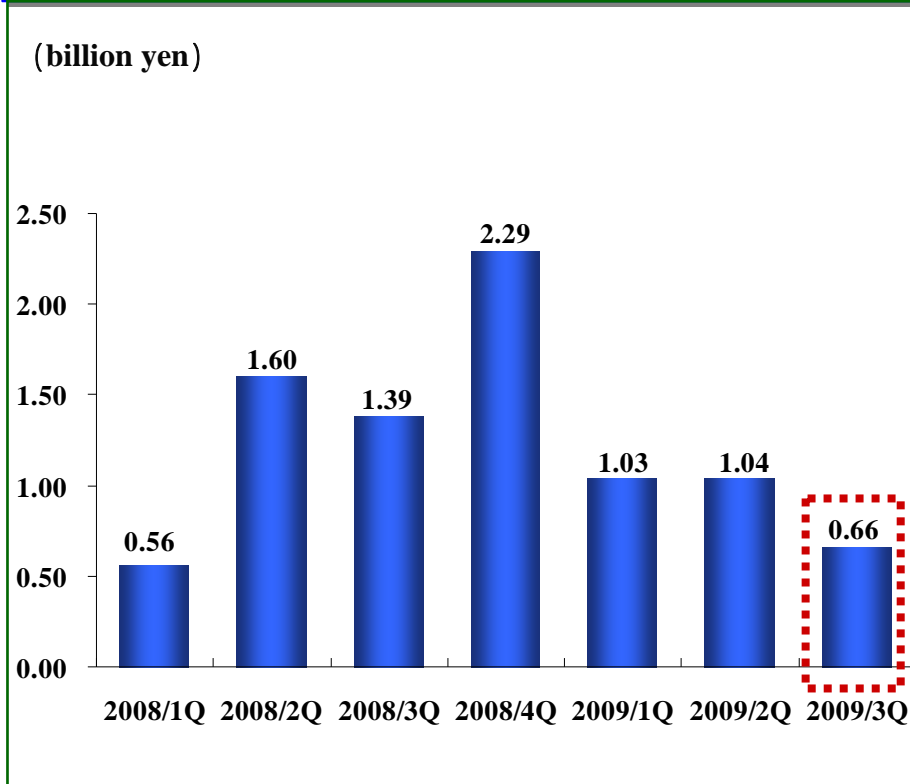


Note 1 : eAccess consolidated ACCA from 9/1/2008 and fully merged with ACCA on 6/25/2009.

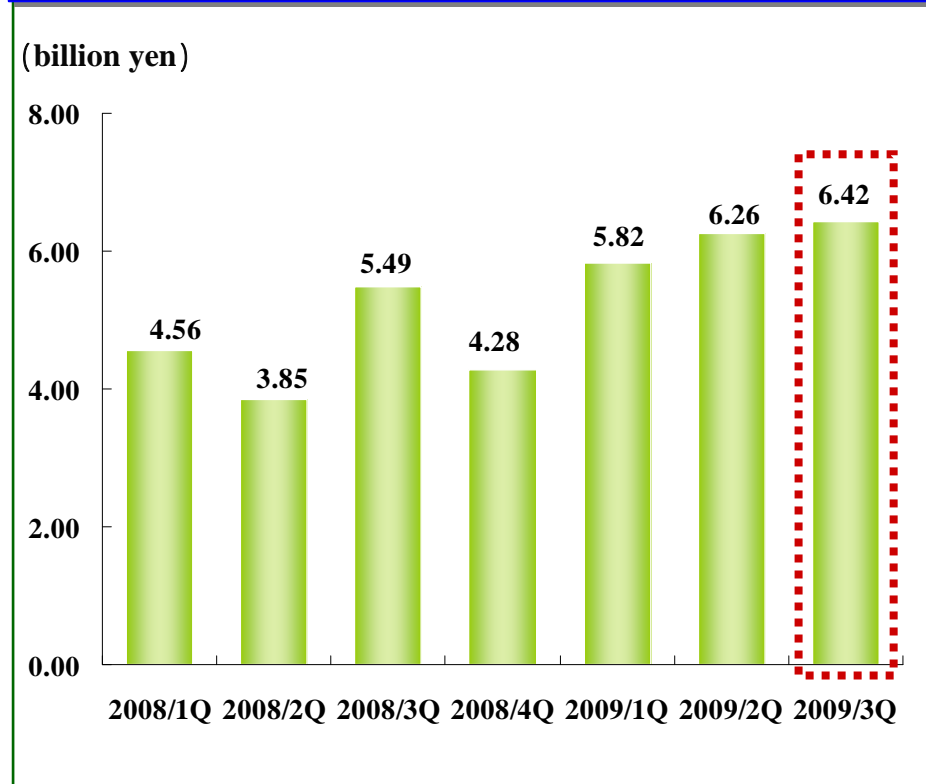
Consolidated Capex & Operating FCF Trends

- Continuous capex reduction after ACCA integration
- Record high in 3Q consolidated operating FCF

Consolidated Capex Trend



Consolidated Operating FCF Trend



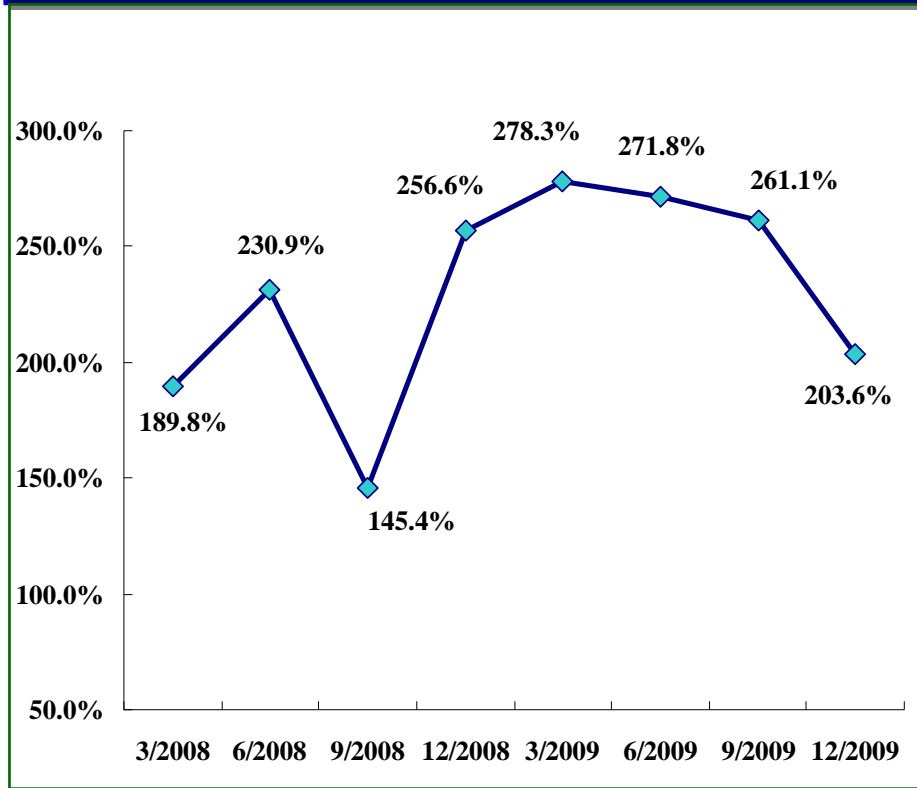
Note 1 : eAccess consolidated ACCA from 9/1/2008 and fully merged with ACCA on 6/25/2009.

Note 2 : Operating Free Cash Flow = EBITDA - Capex

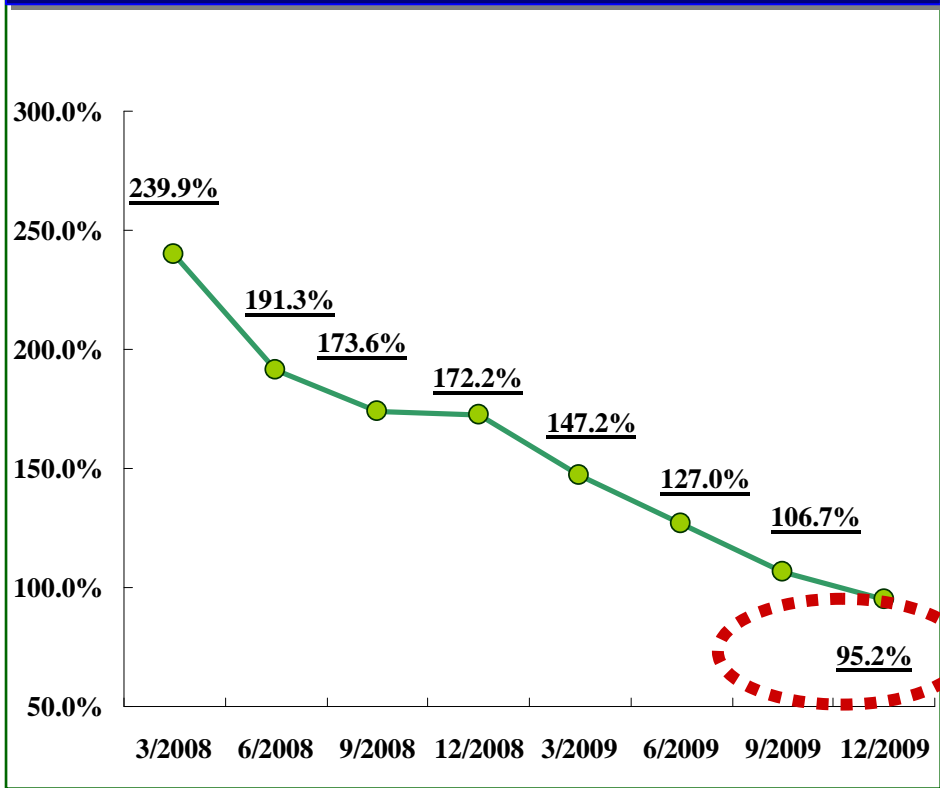
Key Financial Parameters

● Sharp improvement in consolidated net debt/EBITDA ratio

Net debt/net asset Ratio Trend



Net debt/EBITDA Ratio Trend



Note 1 : EBITDA figures are accumulation of 4 quarters ending at each accounting date.

I. FY3/2010 3Q (cumulative) Results Highlight

Page 3

II. eAccess

Page 12

III. EMOBILE

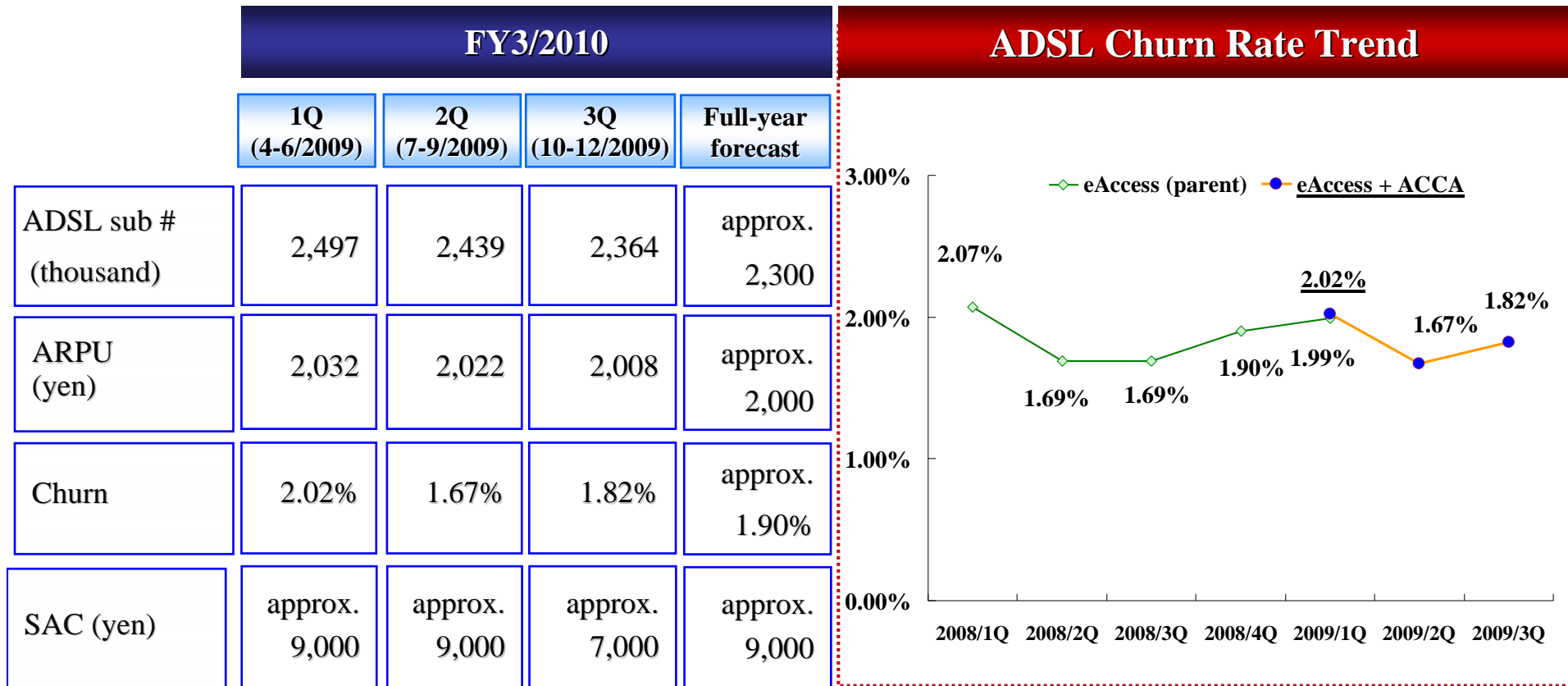
Page 14

IV. Appendix

Page 32

Subscribers & Churn Rate Trend

- Monthly churn in-line with expectation
- Decline in subscriber acquisition cost in 3Q



Note 1 : ACCA was consolidated from 9/1/2008. Subscribers, ARPU and churn rate include both eAccess and ACCA subscribers from 1Q FY3/2010.

Note 2: SAC stands for subscriber acquisition cost.

I. FY3/2010 3Q (cumulative) Results Highlight

Page 3

II. eAccess

Page 12

III. EMOBILE

Page 14

IV. Appendix

Page 32

EMOBILE Results Highlights

- Turned positive operating profits in 3Q

- Revised up full-year earnings forecast

- Successful launch of Pocket WiFi

EMOBILE Financial Results

EMOBILE Financial Results

- Revenue in 3Q doubled and operating losses shrank to one-fourth
- Turned positive EBITDA for three accumulated quarters (Apr-Dec)

	FY3/2009	FY3/2010			
	3Q (4~12/2008)	3Q (4~12/2009)	YoY Actual Change	Previous Forecast (11/12/2009)	Progress (%)
(billion yen)					
Revenue	40.89	81.27	+ 40.37	110.00	73.9%
Operating Profit (Losses)	- 29.26	- 7.00	+ 22.26	- 7.00	na
Recurring Profit (Losses)	- 34.20	- 13.41	+ 20.79	- 15.00	na
Net Income (Losses)	- 34.28	- 13.47	+ 20.81	- 16.00	na
EBITDA*	- 15.92	9.37	+ 25.29	16.00	58.6%
Capex	26.07	32.33	+ 6.27	56.00	57.7%
Accumulated Capex	155.45	201.42	+ 45.97	225.00	89.5%
Depreciation	13.34	16.37	+ 3.03	23.00	71.2%

Note 1: Amortization of long-term contract discount. is not included

- Turned first positive quarterly operating profits in 3Q

	FY3/2010				
	1Q (4~6/2009)	2Q (7~9/2009)	3Q (10~12/2009)	Previous Forecast (11/12/2009)	Revised Forecast (2/9/2010)
(billion yen)					
Revenue	23.49	29.18	28.60	110.00	110.00
Operating Profit (Losses)	- 4.48	- 4.23	1.71	- 7.00	- 6.00
Recurring Profit (Losses)	- 6.50	- 6.42	- 0.50	- 15.00	- 14.50
Net Income (Losses)	- 6.51	- 6.45	- 0.51	- 16.00	- 14.50
EBITDA*	0.75	1.20	7.42	16.00	17.00
Capex	4.57	12.30	15.46	56.00	55.50
Accumulated Capex	173.66	185.95	201.42	225.00	224.50
Depreciation	5.22	5.43	5.71	23.00	23.00

Note 1: Amortization of long-term contract discount. is not included

EMOBILE Cash Flows

- Strong improvement in operating cash flow

	FY3/2009		FY3/2010		
	3Q (10~12/2008)	4Q (1~3/2009)	1Q (4~6/2009)	2Q (7~9/2009)	3Q (10~12/2009)
(billion yen)					
Operating Cash Flow	- 14.13	- 14.24	- 8.88	- 3.32	- 1.37
Investing Cash Flow	- 11.88	- 11.61	- 7.45	- 15.55	- 8.66
Free Cash Flow	- 26.02	- 25.85	- 16.33	- 18.87	- 10.04
Financing Cash Flow	38.78	- 1.12	28.80	- 0.19	0.01
Net Change in Cash and Cash Deposit	12.77	- 26.97	12.47	- 19.06	- 10.03

Note 1: Free Cash Flow = Operating Cash Flow + Investing Cash Flow

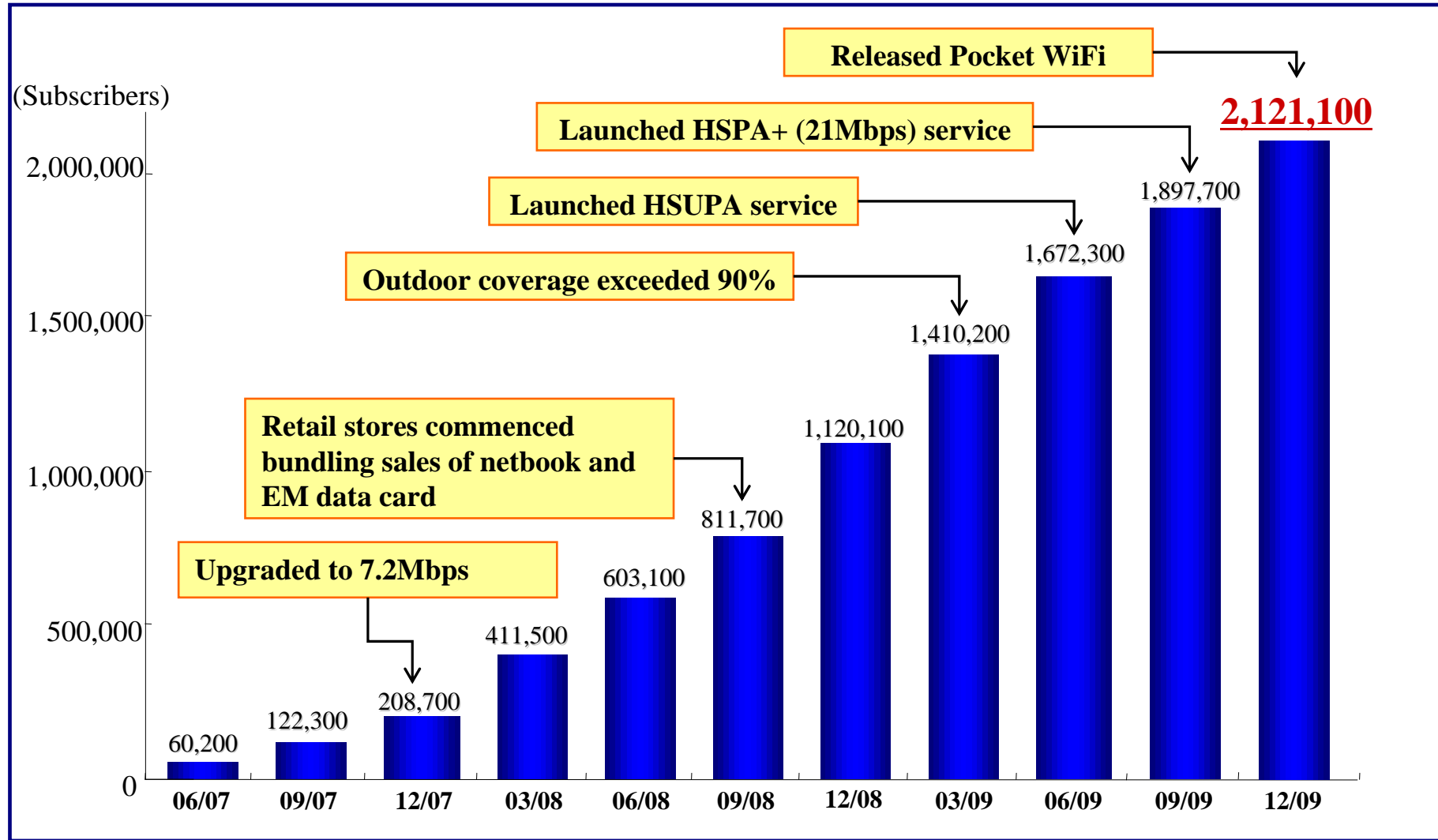
EMOBILE Balance Sheets

- Expect net debt to peak in 3/2010 and decline from the next fiscal year

	FY3/2009		FY3/2010		
	As of 12/2008	As of 3/2009	As of 6/2009	As of 9/2009	As of 12/2009
(billion yen)					
Cash and Cash Deposit	94.38	67.42	79.89	60.82	50.80
Debt	213.31	212.19	240.99	242.53	243.65
Net Debt	118.92	144.78	161.10	181.71	192.86
Shareholder's Equity	52.11	42.36	35.85	29.41	28.89
Net Assets	52.11	42.36	35.85	29.41	28.89
Total Assets	289.37	280.12	295.99	291.12	297.93
Net Debt/Net Assets Ratio(%)	228.2%	341.8%	449.4%	617.9%	667.5%

EMOBILE Operational Results

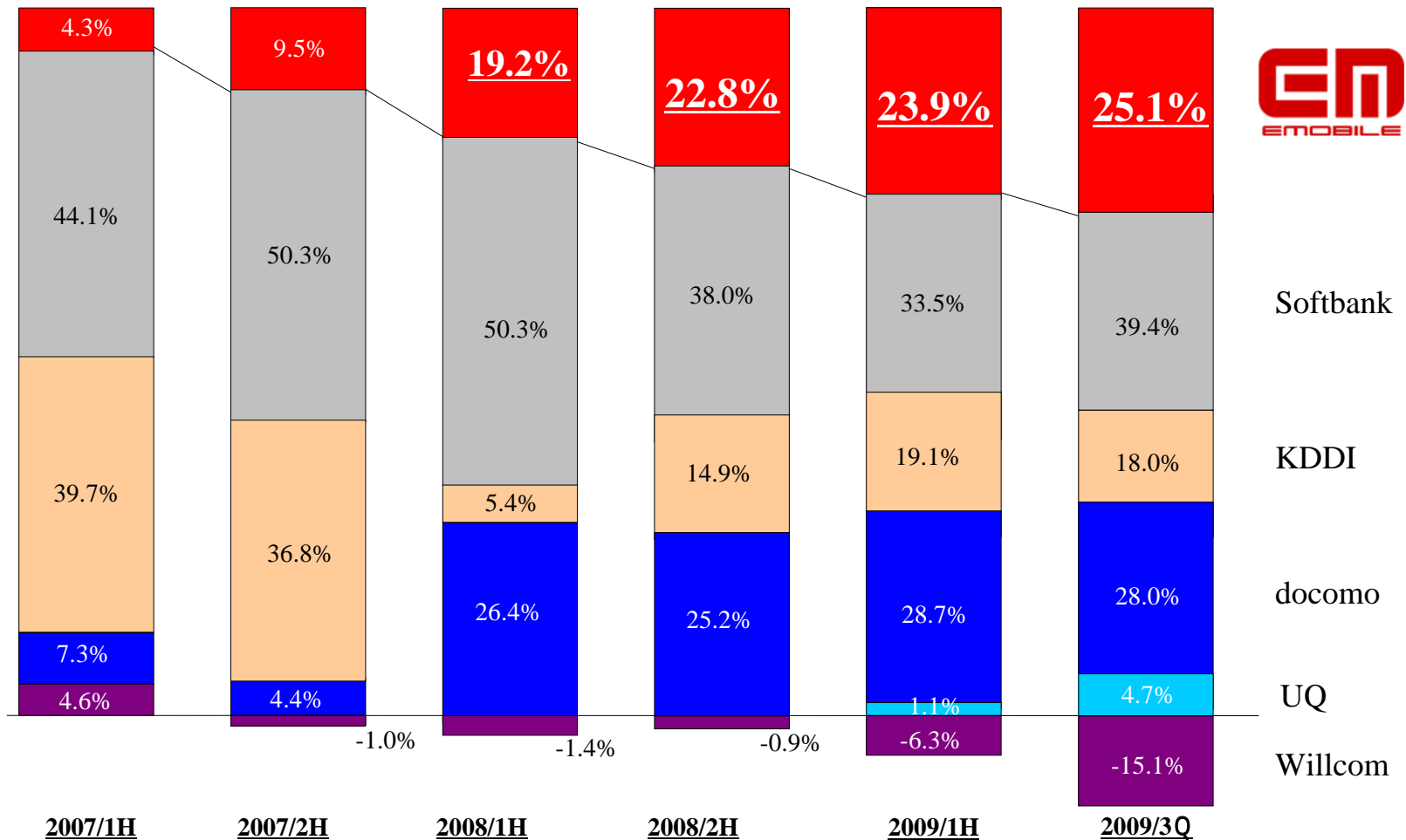
EMOBILE Accumulated Subscriber Trend



(Source: TCA)

Trend of Net Subscriber Addition

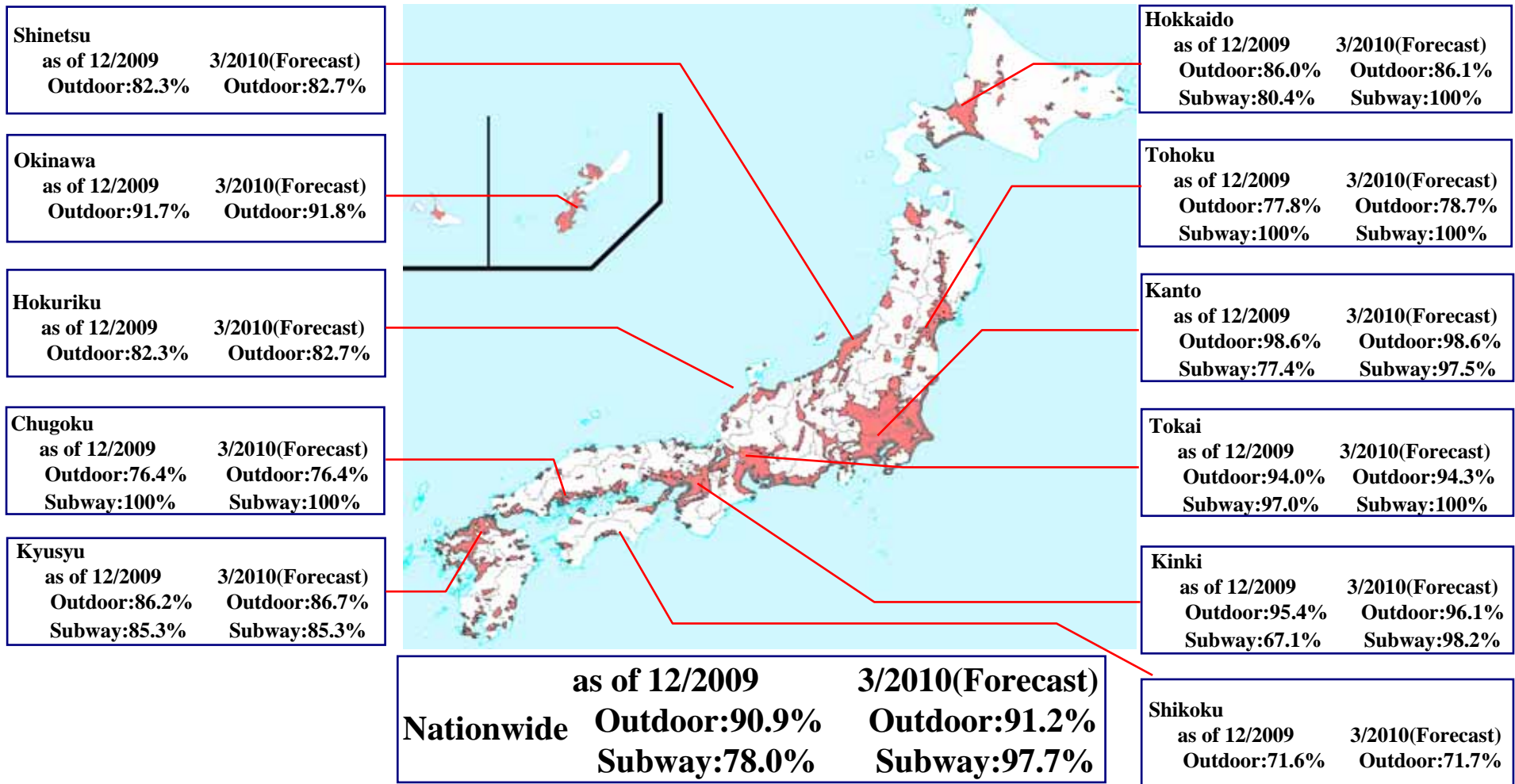
- Steady improvement in net subscriber addition market share



(Source: TCA)

Service Area Coverage

- Over 90% outdoor population coverage
- Expect subway coverage to be completed by March/April 2010



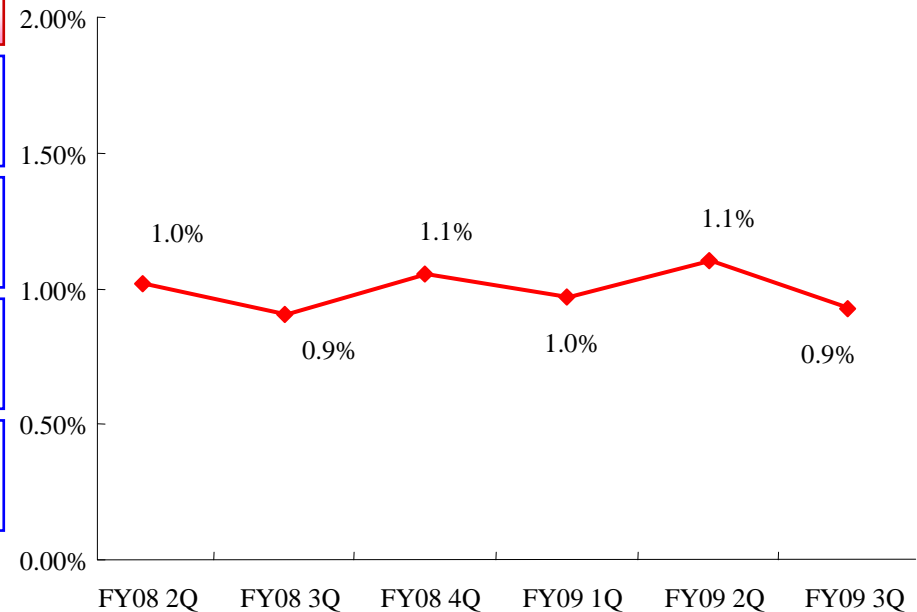
Subscribers & Churn Rate

- Improvement in subscriber acquisition costs (SAC)
- Maintained low churn rate at approximately 1% level

	FY3/2010			
	1Q (4-6/2009)	2Q (7-9/2009)	3Q (10-12/2009)	Full-year Forecast
Subscribers #(thousand subs)	1,672	1,898	2,121	2,400~
ARPU (yen)	3,330	3,310	3,260	3,300~
Churn Rate	1.0%	1.1%	0.9%	1.2%
SAC (yen)	approx. 30,000	approx. 30,000	approx. 25,000	approx. 30,000

Note1: SAC stands for subscriber acquisition cost.

Trend of Churn Rate



Improvement in SAC due to focus on productive sales channels

(Source: EMOBILE)

ARPU Enhancement Plans

- Plan to enhance ARPU by offering data card value-added services

Optional Services		
Service Name	Release Date	Monthly Charge
Remote Support Service	2/2009~	315 yen
Trouble Support Optional Service	6/2009~	157 yen
EM Security	11/2009~	498 yen



for data card service users

Netbook vs Notebook vs Tablet vs Smartbook

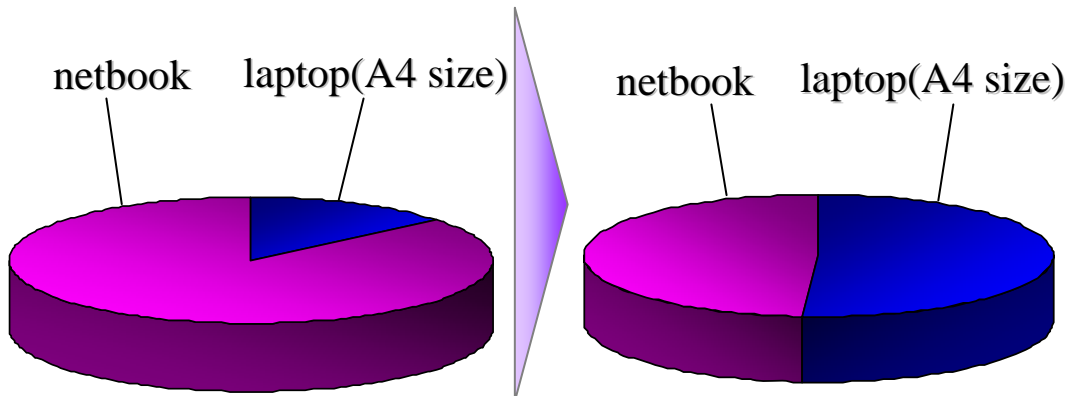
- Adopt PC bundle neutral strategy – slower bundled rate for netbook
- Higher bundled rate with higher performance (A4) notebook
- Expect to bundle with new tablet notebook & smartbook products

Bundle Ratio Trend

Comparison of bundling ratio at retail channels

12/2008

12/2009



(Source: EMOBILE)

Reasons for declining netbook bundling

- ❑ Drop in price of laptop(A4 size)
- ❑ Launch of Windows7
- ❑ CPU performance of netbook



Merits of the shift for EMOBILE

- ❑ Potential increase of high-ARPU users
- ❑ Reduction in initial cash-out for bundling sales

Pocket WiFi

- **Successful launch of Pocket WiFi in late November 2009**
- **Expand target customers from PC to other portable WiFi devices**

Distinct advantages of Pocket WiFi

**Small and light weight (approx. 80g)
Long battery life (approx. 4 hours)**

**No installation
Simple operation**



**Any WiFi product can enjoy
mobile broadband
in EMOBILE service area**

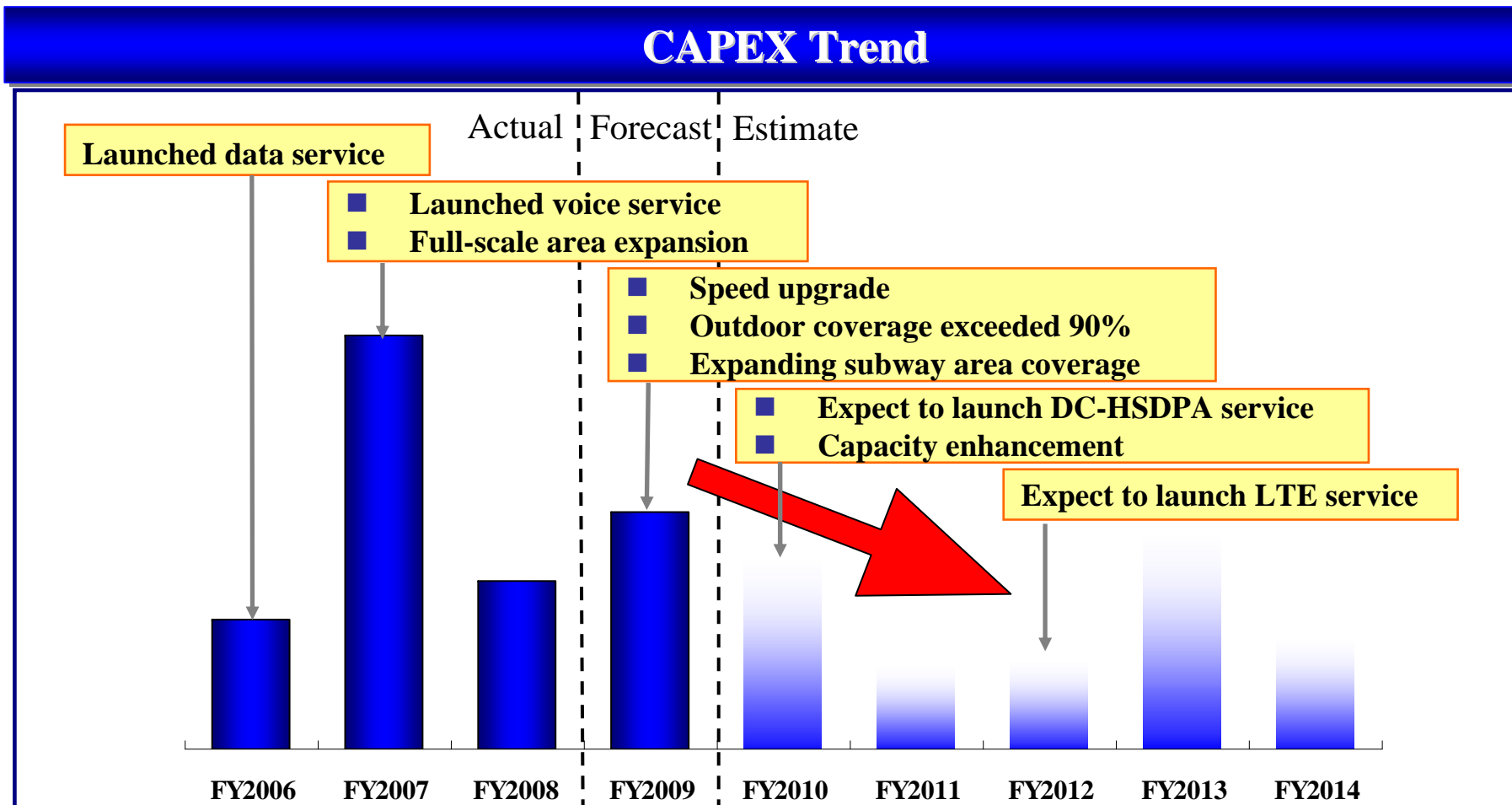
Up to 5 simultaneous connections

**Variety of
WiFi devices**



CAPEX

- Major capex for outdoor coverage and underground to be completed
- Capex is expected to decline from FY2010

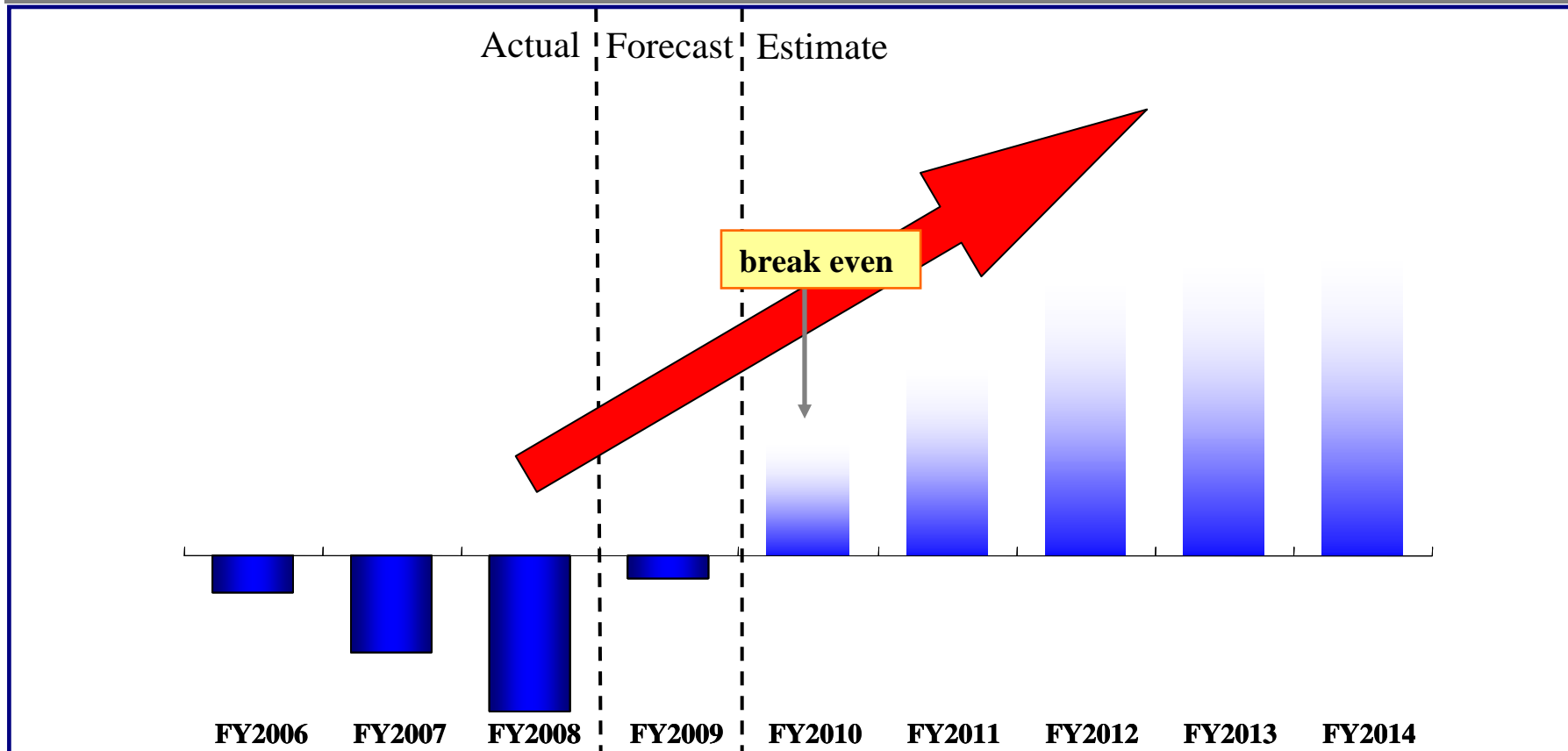


(Source: EMOBILE)

Operating Cash Flow

- Expect improvement in operating cash flow due to steady increase in subscribers

Operating Cash Flow Trend

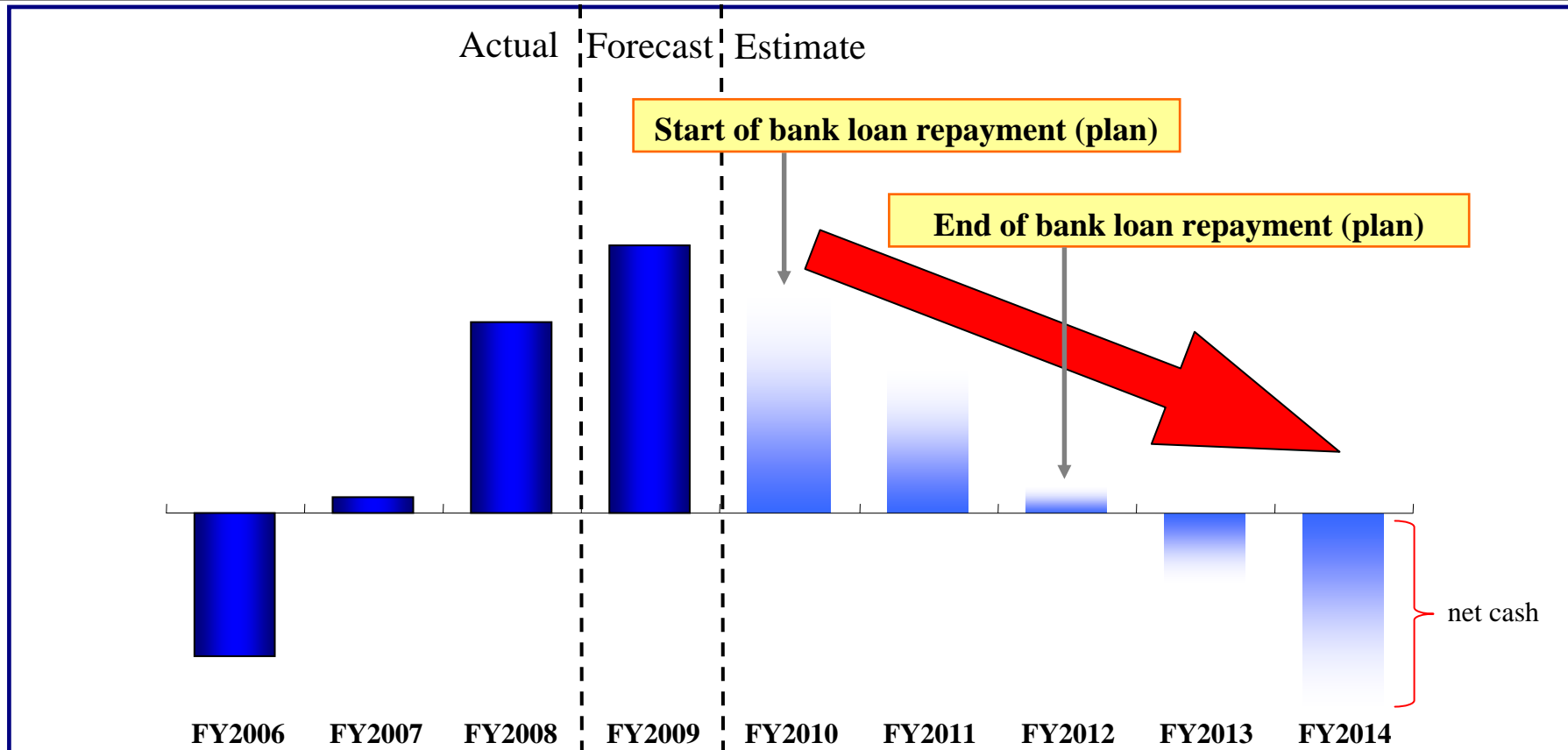


(Source: EMOBILE)

Net Debt Reduction

- **Expect net debt position to peak in FY3/2010 and decline from FY3/2011. Target net cash position by FY2013**

Net Debt Trend



(Source: EMOBILE)

I. FY3/2010 3Q (cumulative) Results Highlight Page 3

II. eAccess Page 12

III. EMOBILE Page 14

IV. Appendix Page 32

FY3/2010 3Q Results (Segment Info.)

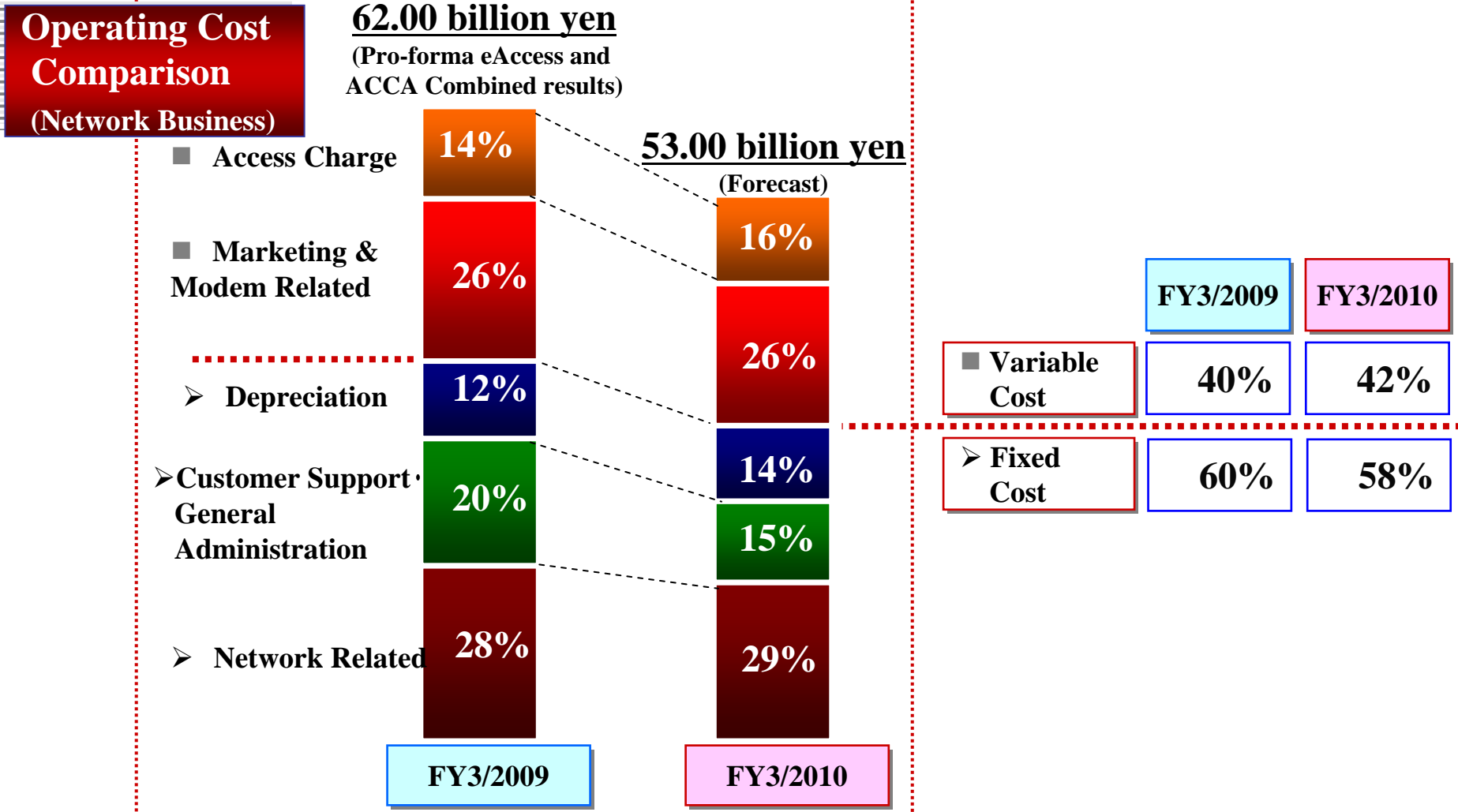
	FY3/2010 3Q(cumulative) (4-12/2009)			
	Network Business *1	Device Business	EMOBILE etc.	Consolidated
(billion yen)				
Revenue	54.11	9.19		63.16
Operating Profit	14.99	0.65		15.64
Recurring Profit	13.98		- 5.46	8.52
Net Income	8.67		- 5.46	3.21
EBITDA	20.55	0.68		21.23
CAPEX	2.72	0.01		2.73
Depreciation	5.54	0.05		5.59

Note 1 : Network business : ADSL Business, Retail Business, Backbone Business and MVNO Business.

Note 2 : eAccess consolidated ACCA from 9/1/2008 and fully merged with ACCA on 6/25/2009.

Cost-Cutting Synergies After ACCA Integration

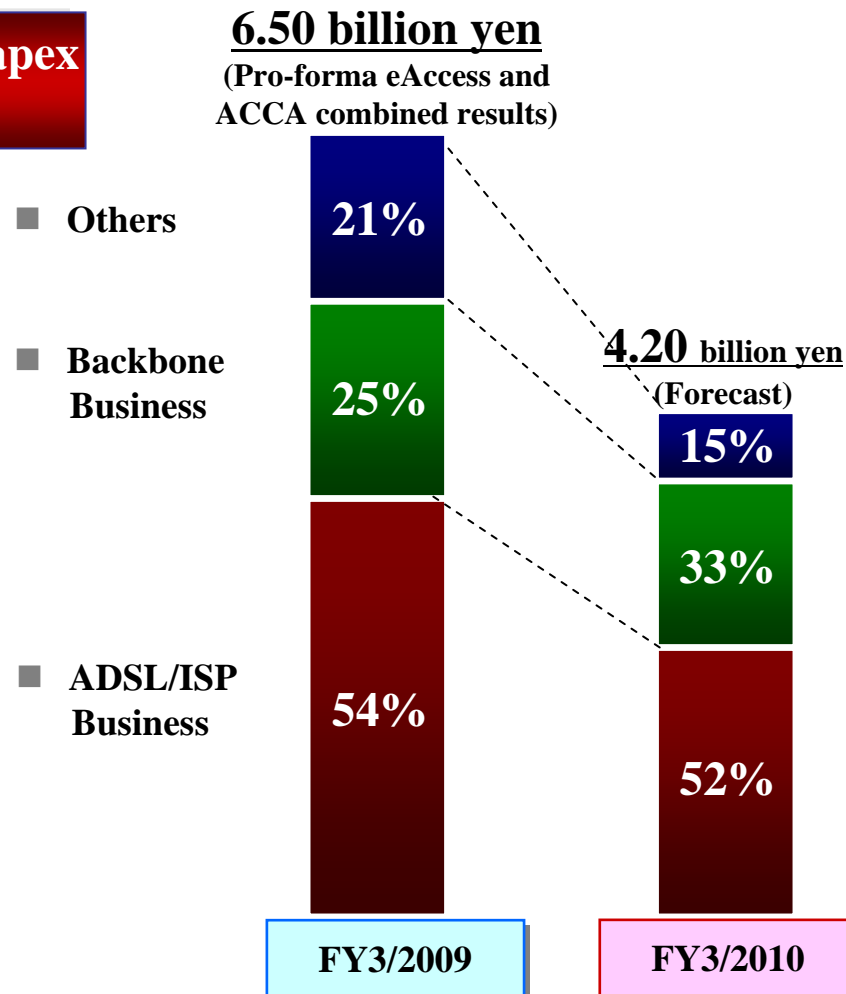
- Expect FY3/2010 operating cost to decrease by 15% YoY
- Decline in combined fixed cost after ACCA Integration



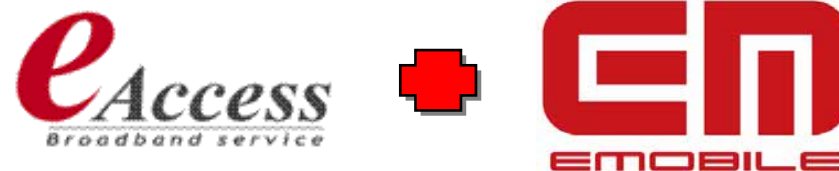
Capex Reduction after ACCA Integration

- Expect a 35% decrease YoY in combined full-year consolidated capex

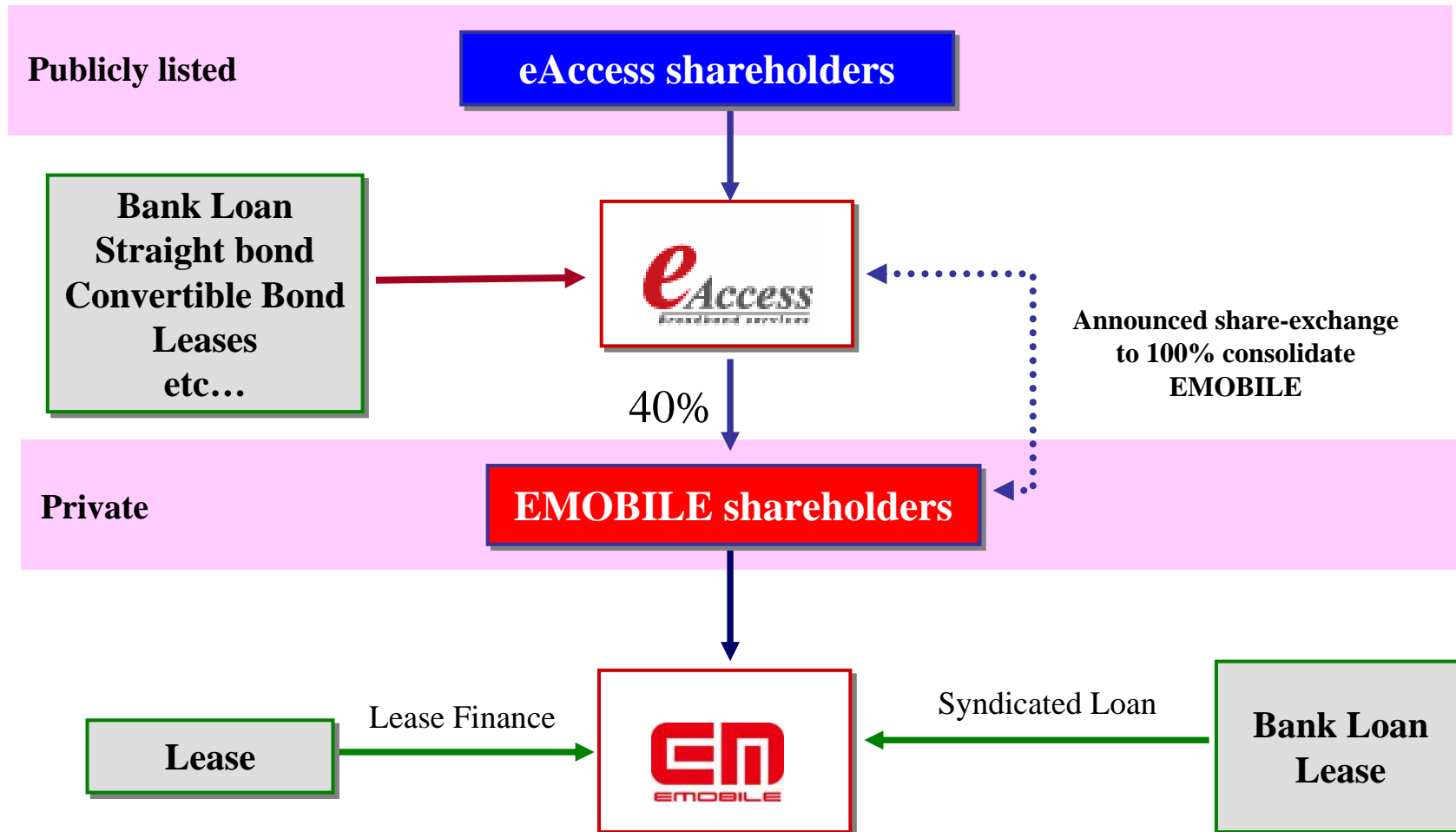
Consolidated Capex Comparison



**Business Combination
eAccess & EMOBILE**

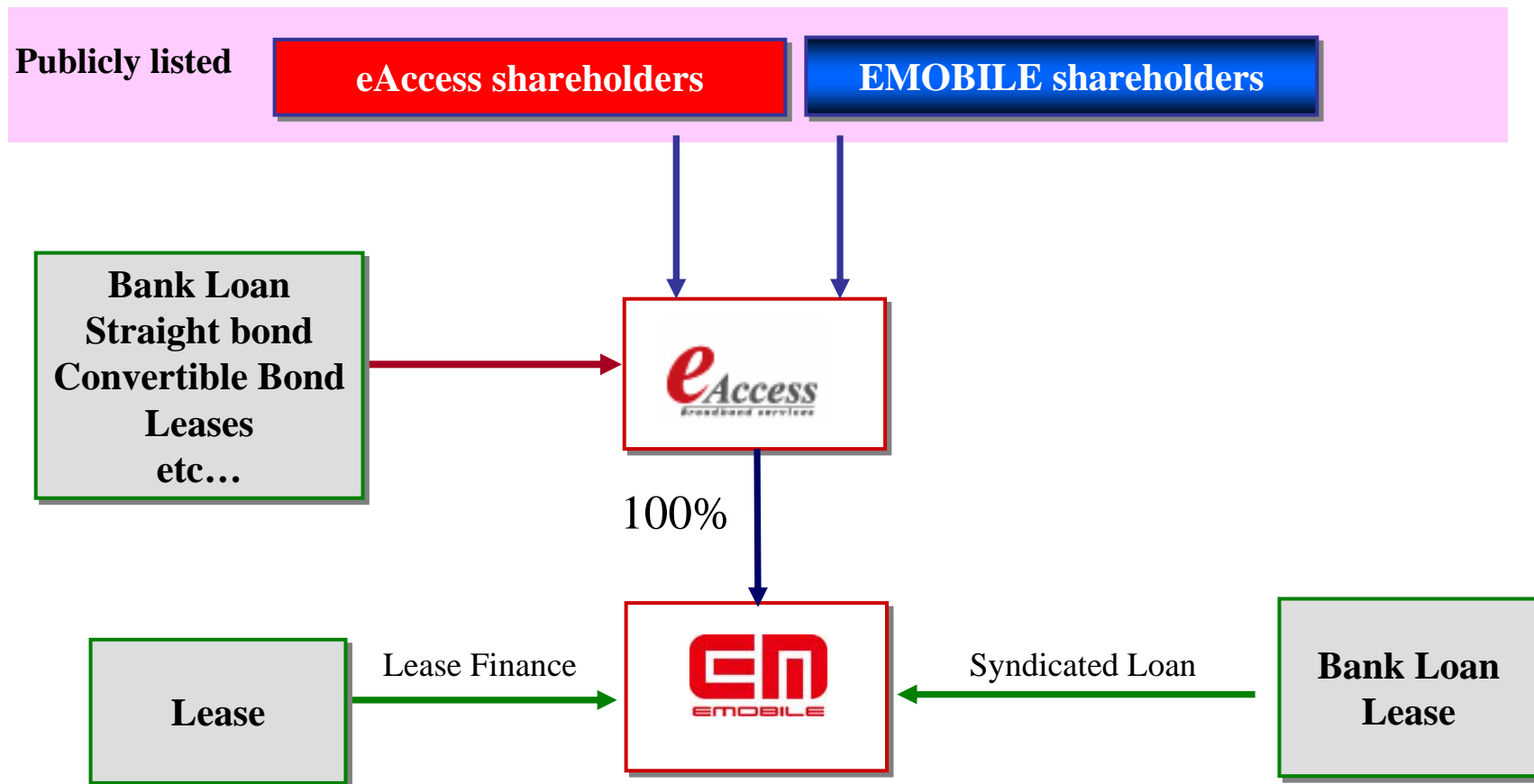


EMOBILE is equity accounted (about 40%) within eAccess Group
Separate shareholders, separate bank loans and separate governance



Consolidated Structure After Share Exchange

Simple corporate structure after share exchange
Align same eAccess & EMOBILE shareholders interests



- Plan to offer Fixed-line Mobile Broadband FMC products

ADSL
service

FTTH
service



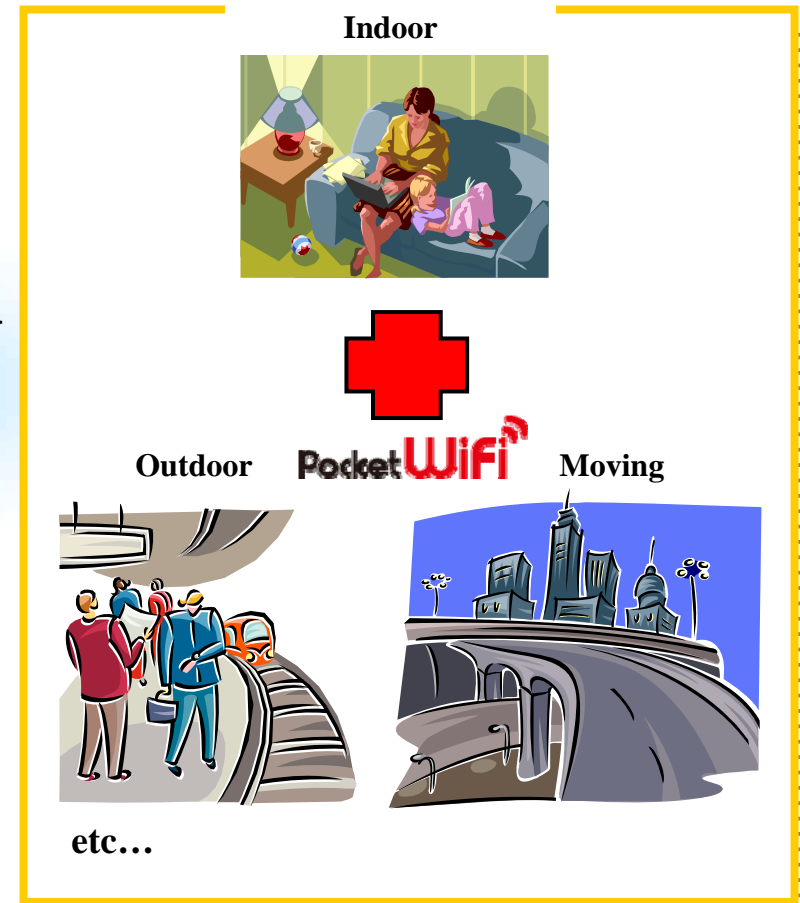
=

**Broadband
FMC**

Mobile Broadband service

(mobile WiFi)

PocketWiFi





Steady cash flow

High revenue & EBITDA growth

Limited scale (Fixed Only)

Scale merits (Fixed & Mobile)

Wholesale channels

Wholesale, MVNO & retail channels

Low leverage low capital intensive

Better financing capabilities

Stable dividend payout

High growth opportunity

Disclaimer

This presentation has been prepared by eAccess Ltd. (“the Company”). This presentation contains forward-looking statements, which are subject to risks, uncertainties, and assumptions. This presentation is being presented solely for your information and is subject to change without notice. No representation or warranty, expressed or implied, is made and no reliance should be placed on the accuracy, actuality, fairness, or completeness of the information presented. The Company accept no liability whatsoever for any losses arising from any information contained in the presentation.

This presentation does not constitute an offer or invitation to purchase or subscribe for any shares of the Company, and no part of this presentation shall form the basis of or be relied upon in connection with any contract or commitment.
