

eAccess Limited 【9427】

**1st Quarter Results for Fiscal Year Ending 3/2011
(4/2010 ~ 6/2010)**



August 4th, 2010

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FY3/2011 1Q Results Highlights

- Consolidated net profit rose by over 5X YoY
- Combined pro-forma of eAccess & EMOBILE 1Q EBITDA doubled YoY
- EMOBILE revenue up 48.6% YoY
- Maintain leadership position in mobile broadband data market
- To launch Japan's fastest mobile data service 42Mbps in October 2010
- Expect to realize further synergies after eAccess EMOBILE combination

FY3/2011 1Q Consolidated Financial Results

(EMOBILE treated under equity accounting method)

- Consolidated net profit rose by 5.4X due to improving EMOBILE financial performance

	FY3/2010	FY3/2011		
	1Q (4~6/2009)	1Q (4~6/2010)	YoY	Full Year ^{*1*2} Forecast
(billion yen)				
Revenue	21.42	19.12	- 10.7%	190.00
Operating Profit	4.94	4.49	- 9.1%	25.00
<i>EM Accounting Losses</i>	- 2.58	- 0.04	na	--
Recurring Profit	1.82	4.08	+ 124.1%	12.60
Net Income	0.46	2.49	+ 440.1 %	9.00
EBITDA	6.85	6.26	- 8.6%	61.00
Capex	1.03	0.78	- 24.9%	40.40
Depreciation	1.91	1.77	- 7.3%	36.00

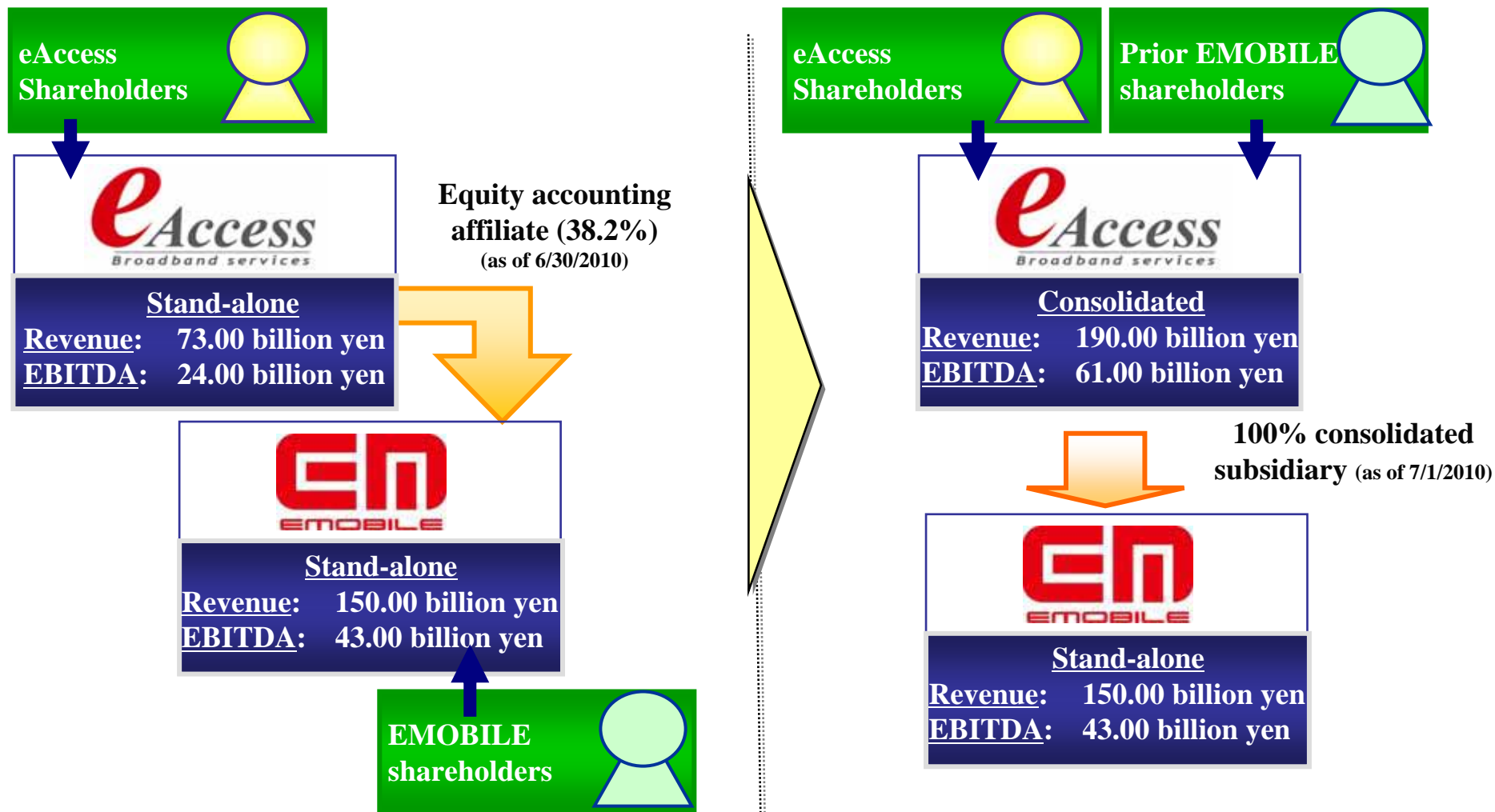
Note 1: FY3/2011 full year forecasts include 9-month eAccess (7/2010 – 3/2011) and 12-month EMOBILE results (4/2010 – 3/2011) based on the business combination completed on July 1, 2010.

Note 2: Consolidation of EMOBILE starts from FY3/2011 2Q.

**Combined eAccess & EMOBILE Pro-forma Basis
(For Financial Comparison Purpose)**

Consolidation of EMOBILE

● Successful completion of EMOBILE consolidation through the share-exchange transaction on 7/1/2010.



Note 1: Financial figures are based on the forecasts for FY3/2011.

Combined eAccess & EMOBILE Pro-forma 1Q (For Financial Comparison Purpose)

- Combined pro-forma 1Q revenue grew by 22.6% YoY
- Combined pro-forma 1Q operating profit rose 30X YoY
- Turned profit at combined pro-forma net level in 1Q FY3/2011

(billion yen)	Pro-forma FY3/2010_1Q			Pro-forma FY3/2011_1Q			Combined YoY (%).
	eAccess Stand-alone ^{*1}	EMOBILE Stand-alone	Combined	eAccess Stand-alone	EMOBILE Stand-alone	Combined	
Revenue	21.35	23.49	39.97	19.08	34.90	49.01	+ 22.6%
Operating Profit (Losses)	4.95	- 4.48	0.23	4.45	2.32	6.81	+ 2,886.8%
Recurring Profit (Losses)	4.41	- 6.50	- 2.33	4.08	- 0.10	3.91	na
Net Income (Losses)	2.72	- 6.51	- 4.03	2.36	- 0.22	2.13	na
EBITDA	6.84	0.75	7.59	6.20	9.07	15.28	+ 101.3%
Capex	1.03	4.57	5.60	0.78	8.21	8.75	+ 56.3%
Depreciation	1.90	5.22	7.36	1.75	6.75	8.47	+ 15.1%
Operating FCF	5.82	- 3.83	1.99	5.43	0.86	6.53	+ 227.8%

Note 1: eAccess FY3/2010 1Q includes ACCA as a fully consolidated subsidiary.

Note 2: Consolidated depreciation includes amortization of goodwill.

Combined eAccess & EMOBILE Pro-forma Full Year Financial Forecasts

- Combined pro-forma full year EBITDA to grow 48% YoY
- Combined full year operating profit to grow 145% YoY (record high)
- Expect sharp turnaround in combined recurring and net profit

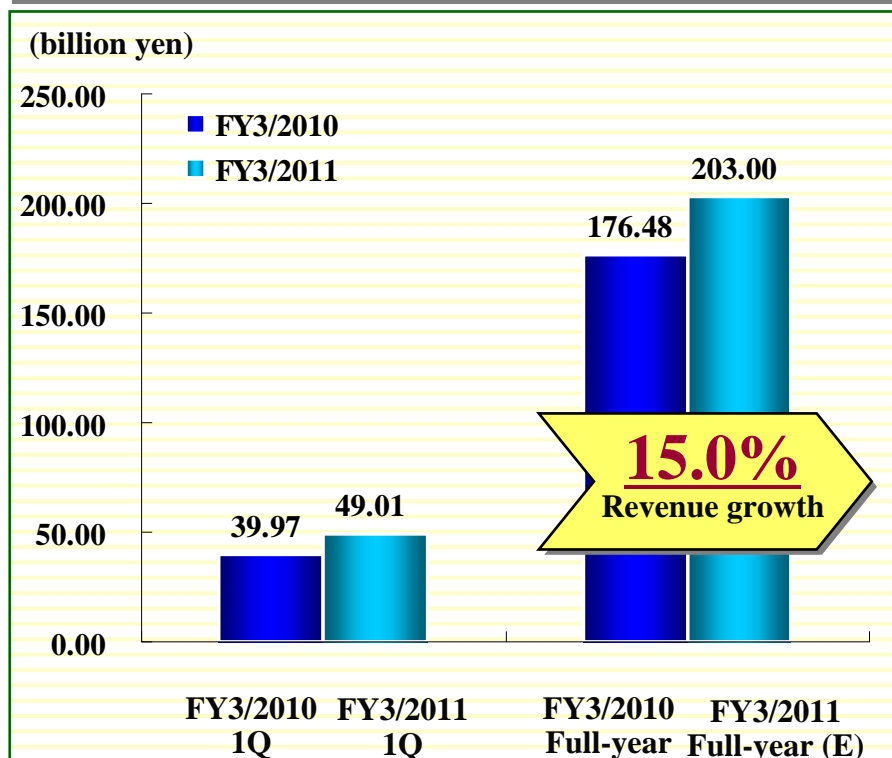
(billion yen)	Pro-forma FY3/2010 Results			Pro-forma FY3/2011 Forecasts			Combined YoY (%).
	eAccess #1 Stand-alone	EMOBILE Stand-alone	Combined	eAccess Stand-alone	EMOBILE Stand-alone	Combined.	
Revenue	82.81	113.60	176.48	73.00	150.00	203.00	+ 15.0%
Operating Profit (Losses)	19.04	- 6.09	11.86	16.80	13.00	29.00	+ 144.5%
Recurring Profit (Losses)	16.67	- 14.77	0.68	14.10	4.00	16.00	+ 2,242.1%
Net Income (Losses)	9.71	- 14.88	- 6.25	8.40	4.00	11.00	na
EBITDA	26.49	18.21	44.52	24.00	43.00	66.00	+ 48.3%
Capex	4.01	53.39	55.50	3.20	39.00	41.00	- 26.1%
Depreciation	7.45	22.77	31.13	7.20	30.00	37.00	+ 18.9%
Operating FCF	22.48	- 35.18	- 10.98	20.80	4.00	25.00	na

Note 1: eAccess FY3/2010 1Q includes ACCA as a fully consolidated subsidiary.

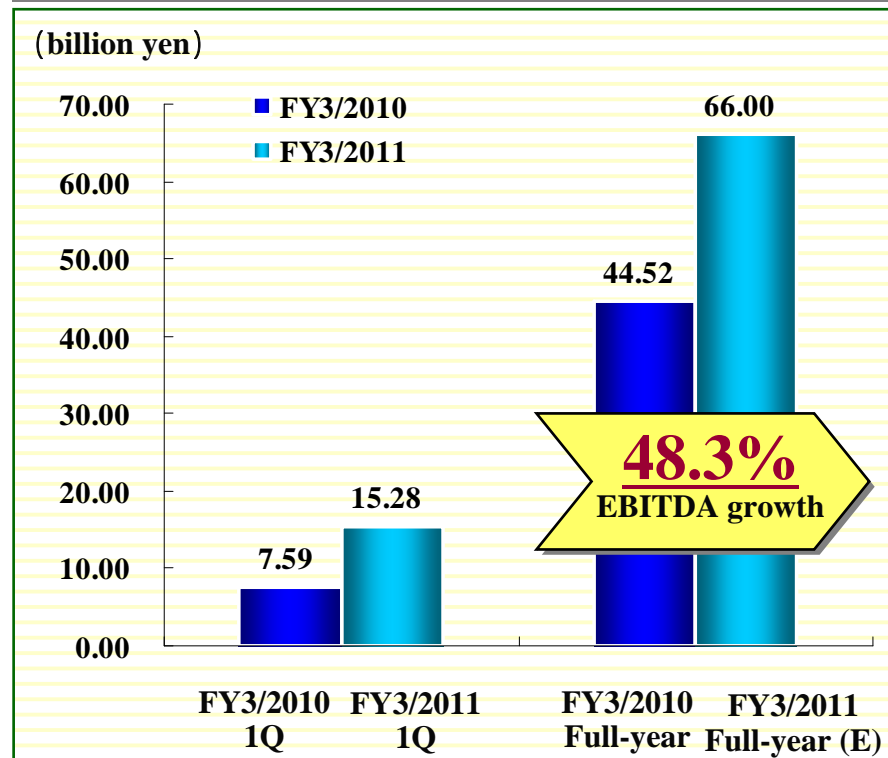
Note 2: Consolidated depreciation includes amortization of goodwill.

Combined eAccess & EMOBILE Pro-forma Revenue & EBITDA Growth

Combined Pro-forma Revenue (Reflecting 100% EMOBILE consolidation)



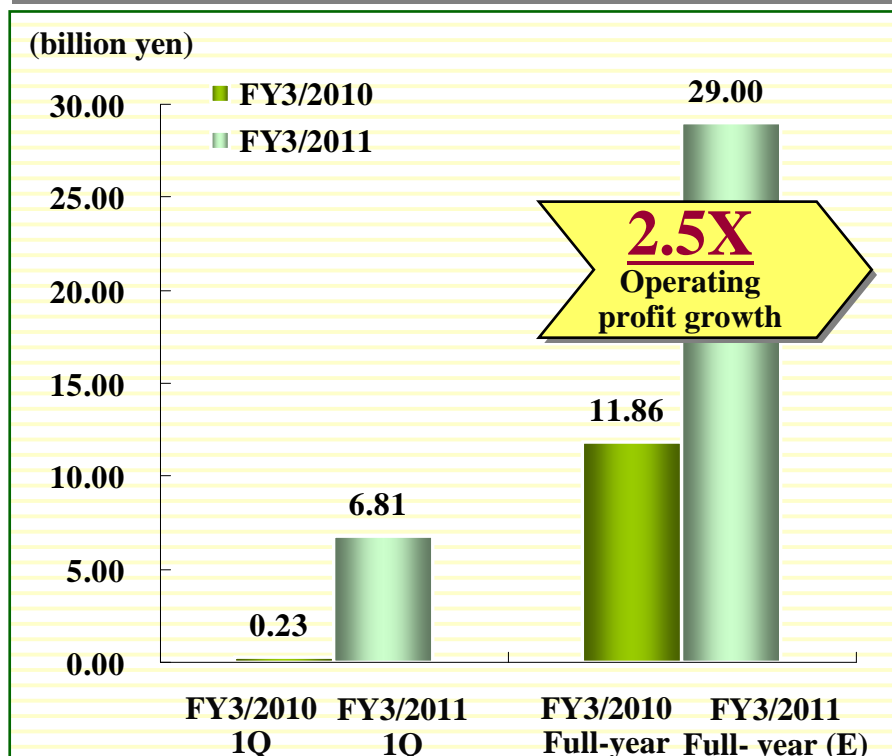
Combined Pro-forma EBITDA (Reflecting 100% EMOBILE consolidation)



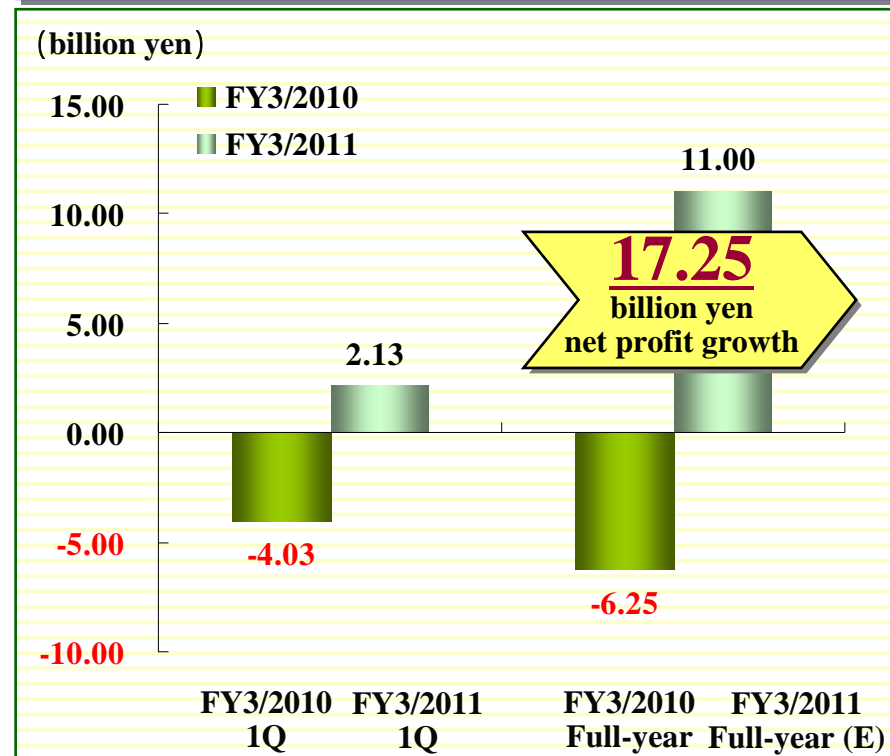
Note 1: eAccess FY3/2010 includes ACCA as a fully consolidated subsidiary.

Combined eAccess & EMOBILE Pro-forma Operating Profit & Net Income Growth

Combined Pro-forma Operating Profit (Reflecting 100% EMOBILE consolidation)



Combined Pro-forma Net Income (Reflecting 100% EMOBILE consolidation)



Note 1: eAccess FY3/2010 includes ACCA as a fully consolidated subsidiary.



Combined eAccess & EMOBILE Pro-forma (Post Share-Exchange) Balance Sheet

- Asset and cash injection from EMOBILE to eAccess combined pro-forma balance sheet with relatively small goodwill amortization.

(billion yen)	eAccess stand-alone 6/2010	EMOBILE Stand-alone 6/2010	Elimination	Goodwill *1	=	Pro-forma Balance Sheet Post-transaction
Cash & cash deposit	12.48	77.53				90.00
Debt	59.66	230.82				290.47
Net debt	47.18	153.29				200.47
Shareholders' equity	58.36	72.27	- 59.80			70.82
Net assets	58.27	72.27	- 59.72			70.82
Total assets	130.44	335.36	- 67.47	10.72		409.06
Net debt/net assets ratio	0.8x	2.1x				2.8x
Net debt/EBITDA ratio *2	2.0x	3.6x				3.0x

Note 1: Goodwill of 10.72 billion yen is expected to be amortized over 10 years.

Note 2: Based on pro-forma FY3/2011 EBITDA figures. See page 9 of this presentation for details.

Shareholder Returns

Dividend

- ✓ Plan to preserve cash for growth
- ✓ Enhance shareholders equity value by lowering leverage
- ✓ 1,800 yen per share extraordinary dividend to shareholders as of 6/30/2010 is scheduled to be paid on 9/10/2010.

Share buyback

- ✓ Purchased back 8,777 shares, or approx. 0.5 billion yen in 7/2010.

Appraisal rights

(relating to EMOBILE
Business Combination)

- ✓ Appraisal rights of 36,800 shares, or approx. 2.3 billion yen is expected to be exercised in 8/2010.

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EMOBILE Strengths

1

Leader in Speed

2

Leader in Mobile Broadband Network

3

Leader in Product

- Leader in Mobile Broadband Service launch

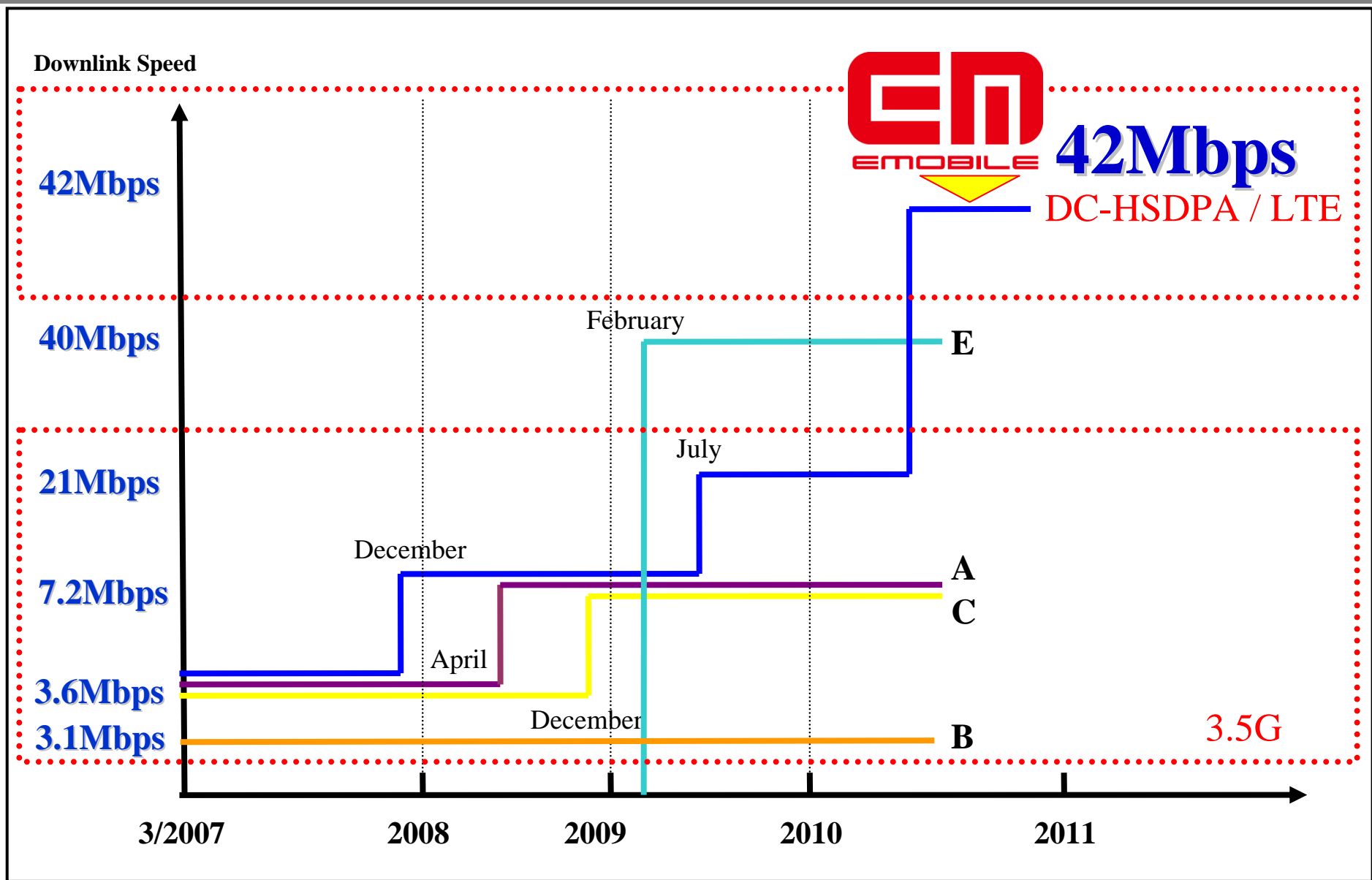
March 2007: Japan's first flat rate 3.6Mbps service

December 2007: Japan's first 7.2Mbps service

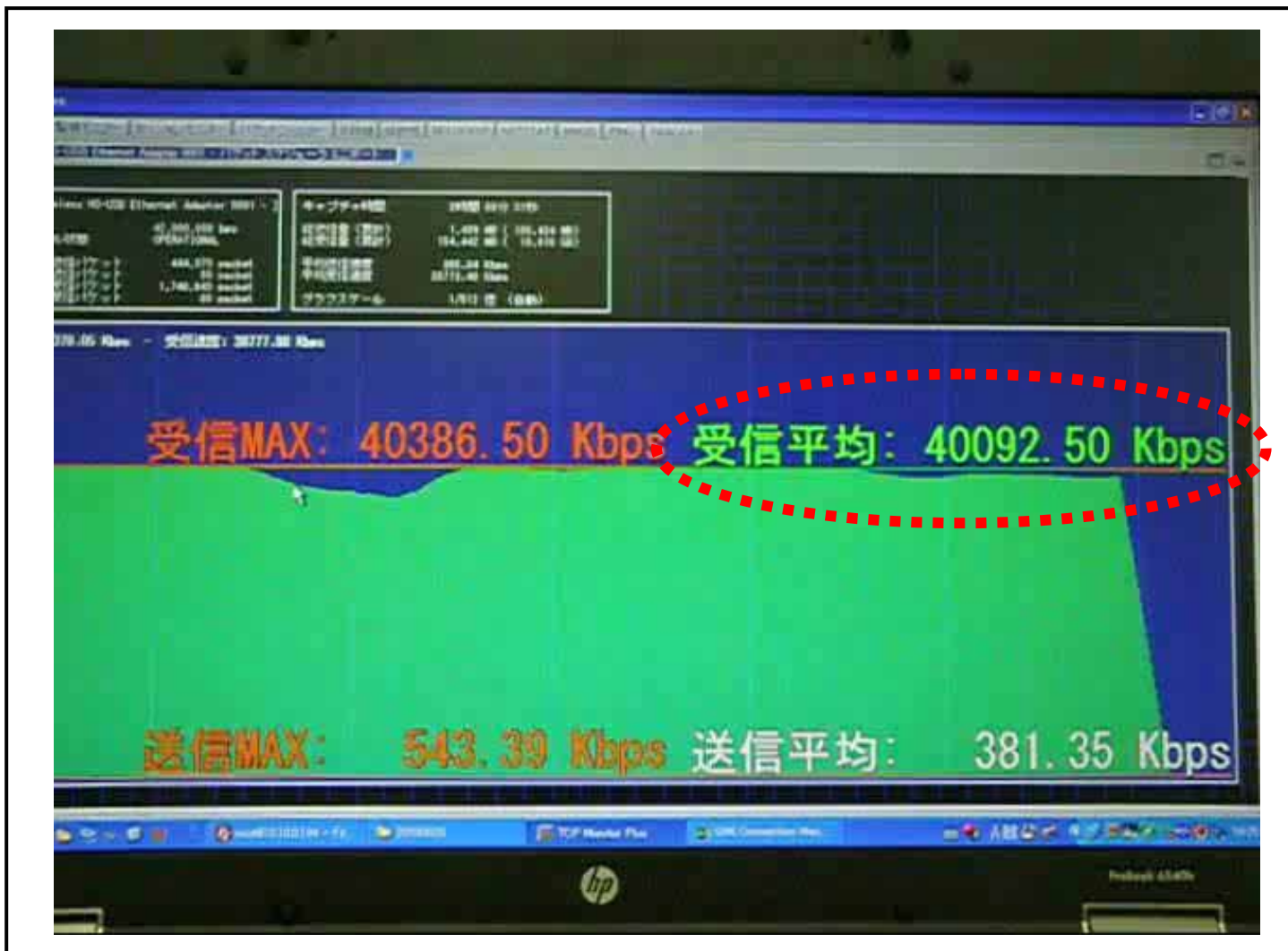
April 2009: Japan's first uplink speed of 5.8Mbps (HSUPA)

July 2009: Japan's first 21Mbps service

October 2010 Plan Japan's first 42Mbps service



- Achieved top downlink speed of over 40 Mbps by using DC- HSDPA



● No speed difference between HSPA and LTE technology

(Mbps)	<i>HSPA</i>			<i>LTE</i>		
Technology	HSPA	HSPA 2x2 MIMO	HSPA 4x4 MIMO	LTE	LTE 2x2 MIMO	LTE 4x4 MIMO
15 MHz x 2	60	120	240	60	120	240
10 MHz x 2	40 <i>DC-HSDPA</i>	80	160	40	80	160
5 MHz x 2	20	40	80	20	40	80

(Source: Ericsson)

- Near completion of major outdoor & subway coverage
- Focus on capacity increase and speed upgrade

Shinetsu

6/2010	
Outdoor	84.1%

Okinawa

6/2010	
Outdoor	91.7%

Hokuriku

6/2010	
Outdoor	85.2%

Chugoku

6/2010	
Outdoor	77.0%
Subway	100.0%

Kyusyu

6/2010	
Outdoor	87.0%
Subway	85.3%



Hokkaido

6/2010	
Outdoor	86.0%
Subway	95.7%

Tohoku

6/2010	
Outdoor	78.8%
Subway	100.0%

Kanto

6/2010	
Outdoor	98.6%
Subway	96.8%

Tokai

6/2010	
Outdoor	94.6%
Subway	100.0%

Kinki

6/2010	
Outdoor	96.1%
Subway	97.3%

Shikoku

6/2010	
Outdoor	75.7%

Nationwide

6/2010	
Outdoor	91.5%
Subway	97.2%


- **Number 1 best seller of mobile broadband router**
MCF Mobile Project Award 2010 (The Best Hardware Prize)
MM Research Institute Award 2010 (The Best Topic Prize)



No.1 Best Seller for 7 consecutive months

(Source: GfK Japan)

(Data communication category from 12/2009 to 6/2010)

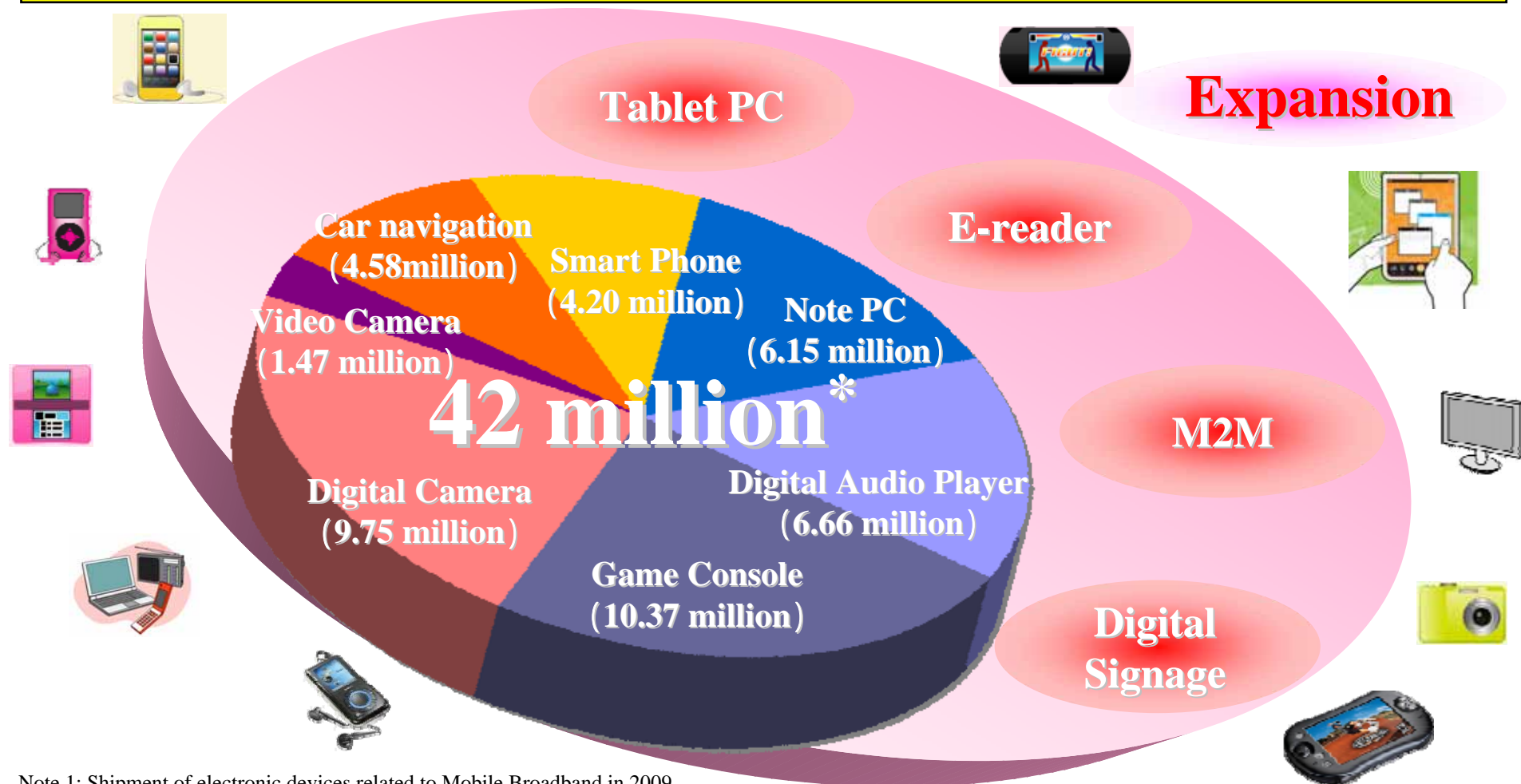
Company	EMOBILE	A	E		F
Product name	Pocket WiFi (D25HW) 	DWR-PG	URoad-7000	Aterm WM3300R	BM-MF30
Unit Price	*1 5,980 yen	34,800 yen	19,800 yen		19,800 yen
Monthly charge	1,400 ~ 5,380 yen	*2 1,525 ~ 6,510 yen	380 ~ 4,980 yen		*3 2,483 yen
Contract	2 year	2 year	30 days		none
Speed (Down/Up)	7.2/5.8Mbps	7.2/5.7Mbps	40/10Mbps		300/300Kbps
Dimension	48.6 × 95.5 × 14.1mm	95 × 64.4 × 17.4mm	67 × 94 × 22mm	104 × 62 × 14.8mm	54 × 99 × 14mm
Weight	80g	105g	145g	117g	80g
Airtime (catalog spec)	4 hours	6 hours	2.5 hours	3.5 hours	4 hours
Standby time (catalog spec)	100 hours	30 hours	-	-	-

Note 1: Super light data plan + Ninen M Note 2: ISP charge(525 yen) is included Note 3: Only company F SIM

(Source: EMOBILE)

Mobile Broadband Market Evolution

- Mobile broadband devices continue to expand from note PC to digital audio player, game, tablet PC, digital reader etc

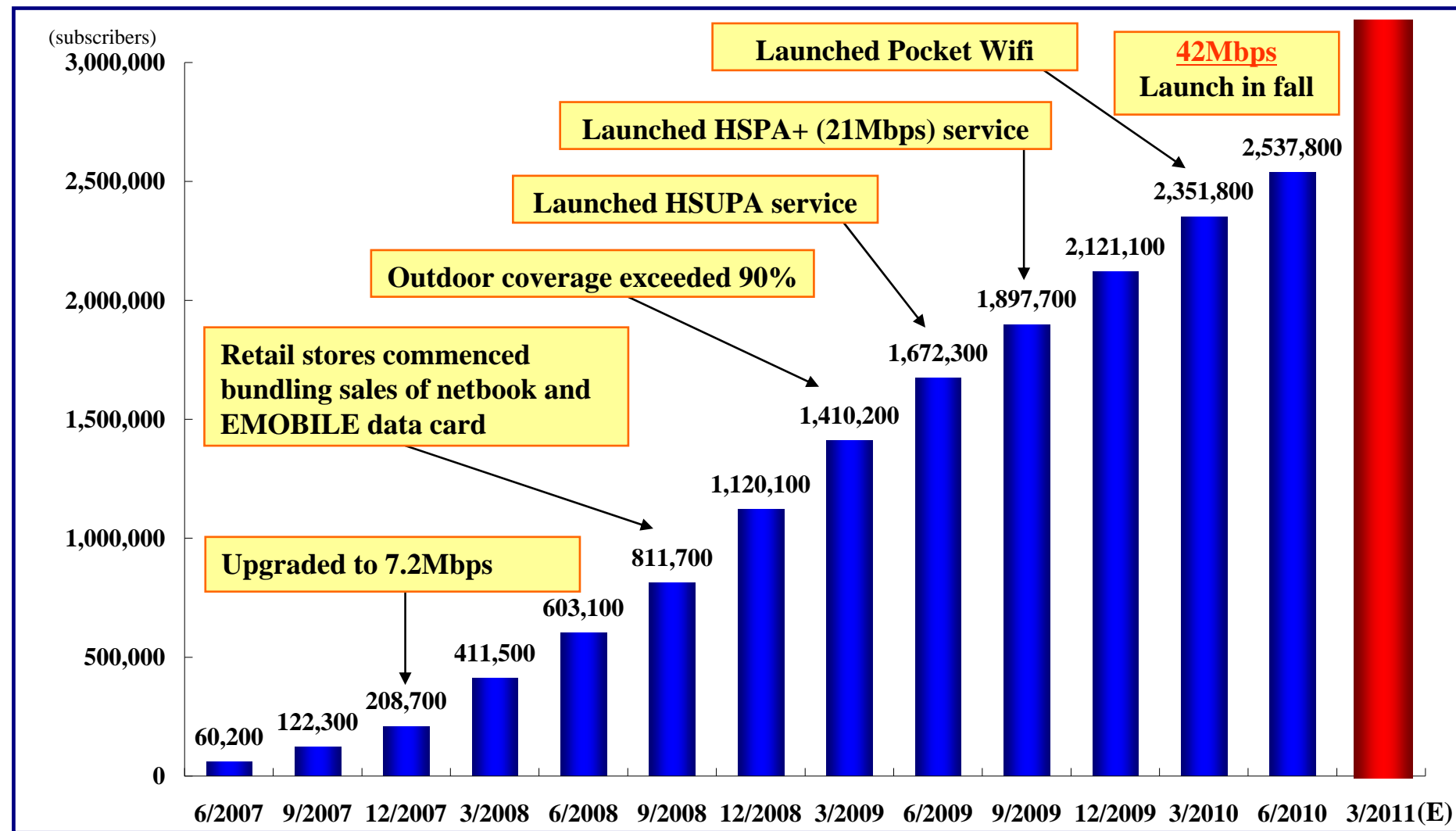


Note 1: Shipment of electronic devices related to Mobile Broadband in 2009

(Source: JEITA etc.)

EMOBILE Accumulated Subscriber Trend

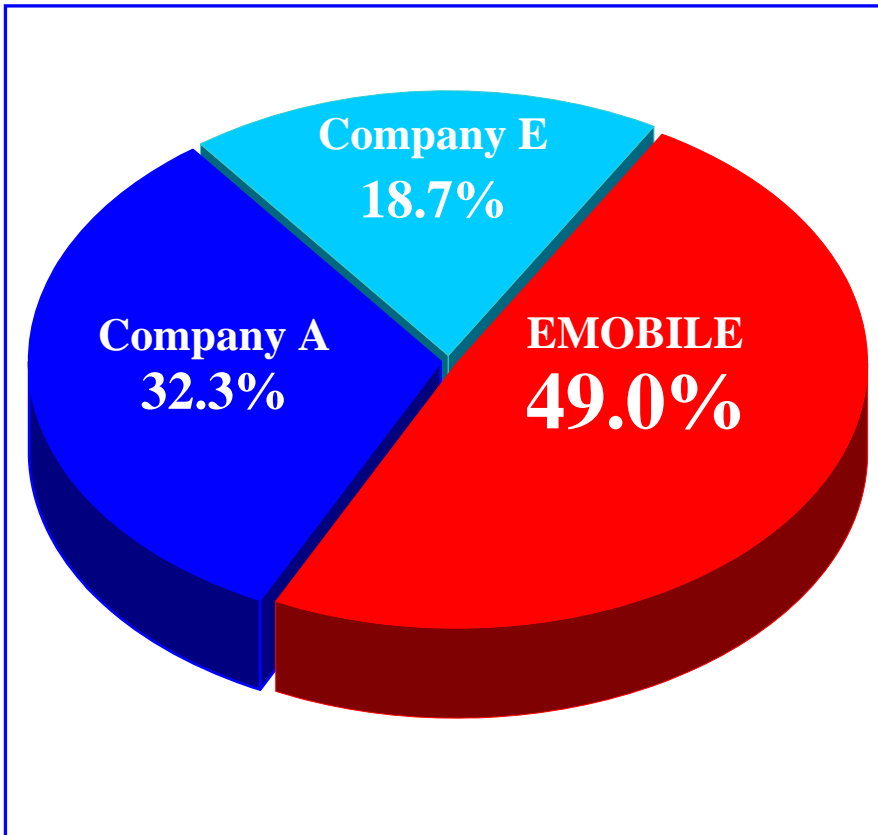
● Sharp growth in mobile broadband subscribers up 50% compared to 6/2009



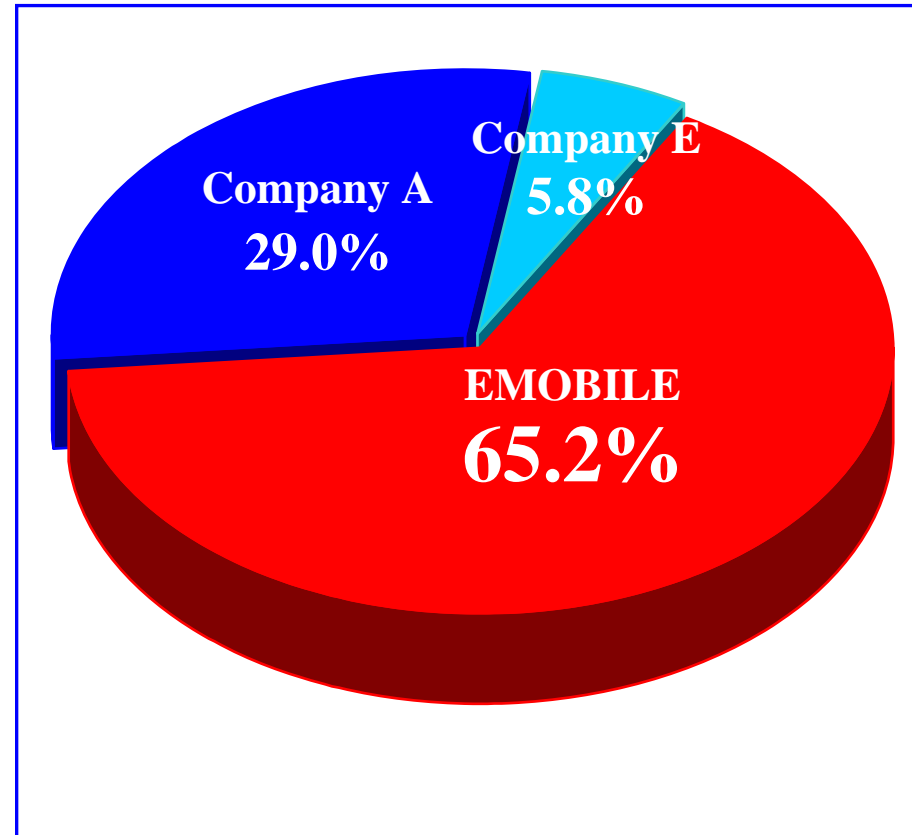
Mobile Data Market Share

- **Leader in mobile broadband data market share**

Net Addition in FY3/2011 1Q



Accumulated subscriber as of 6/2010



- Key performance metrics of fixed-line and mobile operations are progressing in-line with our full-year forecast for FY3/2011.

		Results					Forecast
		FY3/2010 1Q	FY3/2010 2Q	FY3/2010 3Q	FY3/2010 4Q	FY3/2011 1Q	FY3/2011 full-year
Fixed-line (ADSL)	Subscriber #	2,497,000	2,439,000	2,364,000	2,285,000	2,204,000	approx. 1,900,000
	ARPU (yen)	2,032	2,022	2,008	1,995	1,973	approx. 1,950
	Monthly churn rate	2.02%	1.67%	1.82%	2.07%	2.12%	approx. 1.89%
	SAC (yen) ^{*3}	9,000	9,000	7,000	11,000	8,000	approx. 8,000
EMOBILE	Subscriber #	1,672,300	1,897,700	2,121,100	2,351,800	2,537,300	approx. 3,200,000
	ARPU (yen) ^{*2}	3,330	3,310	3,260	3,450	3,400	approx. 3,300
	Monthly churn rate	0.97%	1.10%	0.92%	1.18%	1.37%	approx. 1.40%
	SAC (yen) ^{*3}	30,000	30,000	25,000	25,000	25,000	25,000 - 30,000

Note 1: ACCA was consolidated from 9/1/2008. Subscribers, ARPU and churn rate include ACCA consumer and corporate subscribers from 9/1/2008.

Note 2: ARPU definition changed from FY3/2010 4Q due to accounting rule changes.

Note 3: SAC stands for per subscriber acquisition cost.

EMOBILE Customer Satisfaction

Continued initiatives to improve customer satisfaction & experience

ARPU Enhancement	<ul style="list-style-type: none"> Provide data card value-added option services <table border="1"> <thead> <tr> <th>Service Name</th> <th>Monthly Charge</th> </tr> </thead> <tbody> <tr> <td>Remote Support Service</td> <td>315 yen</td> </tr> <tr> <td>Trouble Support Service</td> <td>157 yen^{*1}</td> </tr> <tr> <td>EM Security</td> <td>498 yen</td> </tr> <tr> <td>EM Wide Support</td> <td>525 yen</td> </tr> </tbody> </table>		Service Name	Monthly Charge	Remote Support Service	315 yen	Trouble Support Service	157 yen ^{*1}	EM Security	498 yen	EM Wide Support	525 yen
	Service Name	Monthly Charge										
Remote Support Service	315 yen											
Trouble Support Service	157 yen ^{*1}											
EM Security	498 yen											
EM Wide Support	525 yen											
Customer Satisfaction	Customer Retention	<ul style="list-style-type: none"> New pricing plan “Ninen toku wari” (Zero yen for the month for Zero usage)^{*2} Provide “used” terminals at low prices for replacement Direct mail promotion for new models upgrade 										
	Network Quality	<ul style="list-style-type: none"> Traffic shaping (for heavy traffic users) Deploy 2nd Carrier (5MHz x 2) for speed enhancement and traffic management 										

Note 1: for data card service users Note2: for users who expired two years contract and renew the contract for “Data Plan”.

Expanding Sales Channels

- Continue to expand sales channels in retails, distributors, telecom operators and TV shopping



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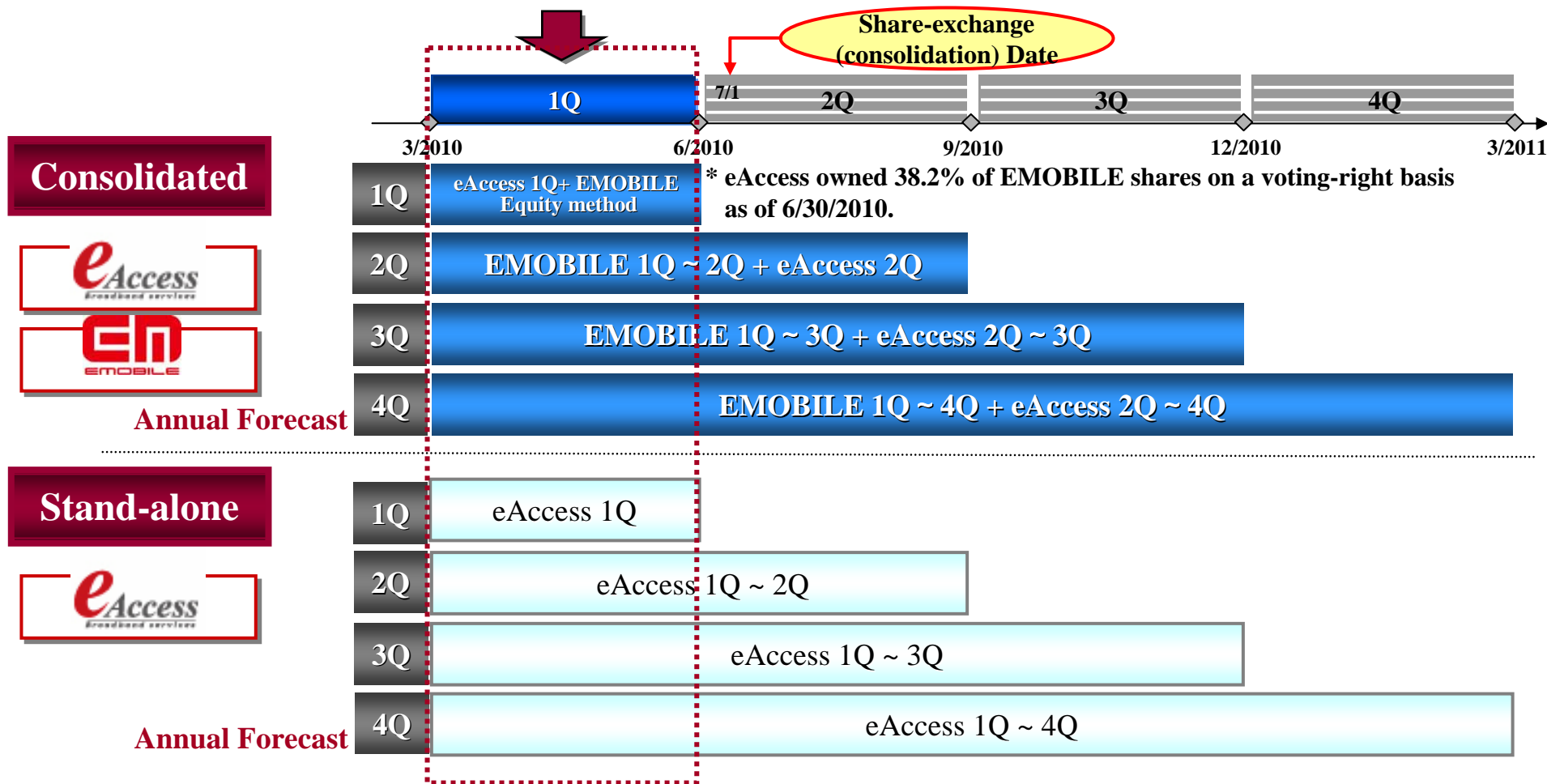
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New Accounting Consolidation Method

- Apply reverse acquisition accounting based on accounting rules from FY3/2011 2Q



Consolidated Cash Flows

(EMOBILE 1Q treated under equity accounting method)

- **Net free cash flow decreased mainly due to an increase in 1Q tax payment.**

	FY3/2010		FY3/2011		
	1Q *1 (4~6/2009)		1Q (4~6/2010)	YoY	Full Year Forecast *2
(billion yen)					
EBITDA	6.85		6.26	- 8.6%	61.00
Capex	- 1.03		- 0.78	- 24.9%	- 40.40
Operating FCF	5.82		5.48	- 5.7%	20.60
Interest (net of interest income)	- 0.10		- 0.48	+ 380.0%	- 9.00
Tax	- 1.85		- 3.00	+ 62.2%	- 3.00
Dividend (net of div. income)	- 0.79		- 0.85	+ 7.6%	- 4.30
Net FCF	3.08		1.15	- 62.7%	4.30

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

Note 2: FY3/2011 full year forecasts are based on the forecasts announced on 5/12/2010.

Note 3: Dividends of full year forecast are based on the current dividend policy.

Note 4: Consolidation of EMOBILE starts from FY3/2011 2Q.

Consolidated Balance Sheets

(EMOBILE treated under equity accounting method)

- 17 billion yen cash investment to EMOBILE was completed in 6/2010.
- Shareholders equity is steadily increasing from 9/2009.

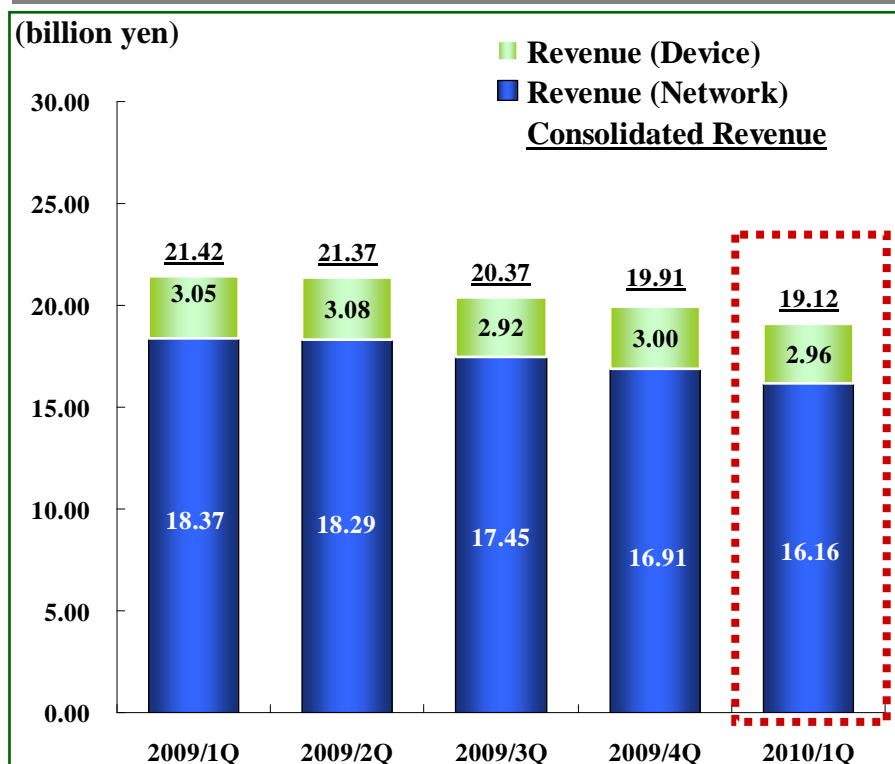
(billion yen)	6/2009	9/2009	12/2009	3/2010	6/2010
Cash & cash deposit	57.64	57.72	68.20	26.11	13.11
Debt	90.33	87.15	94.67	55.05	59.66
Net debt	32.69	29.43	26.47	28.94	46.55
Shareholders' equity	11.78	11.01	12.58	12.61	14.25
Minority interest	0.54	0.53	0.52	0.51	0.50
Net assets	12.03	11.27	13.01	13.16	14.66
Total assets	112.99	112.75	129.50	86.86	86.83
Net debt/net assets ratio	2.7x	2.6x	2.0x	2.2x	3.2x
Net debt/EBITDA ratio	1.3x	1.1x	1.0x	1.1x	1.8x

Consolidated Revenue & Operating Profit Trend

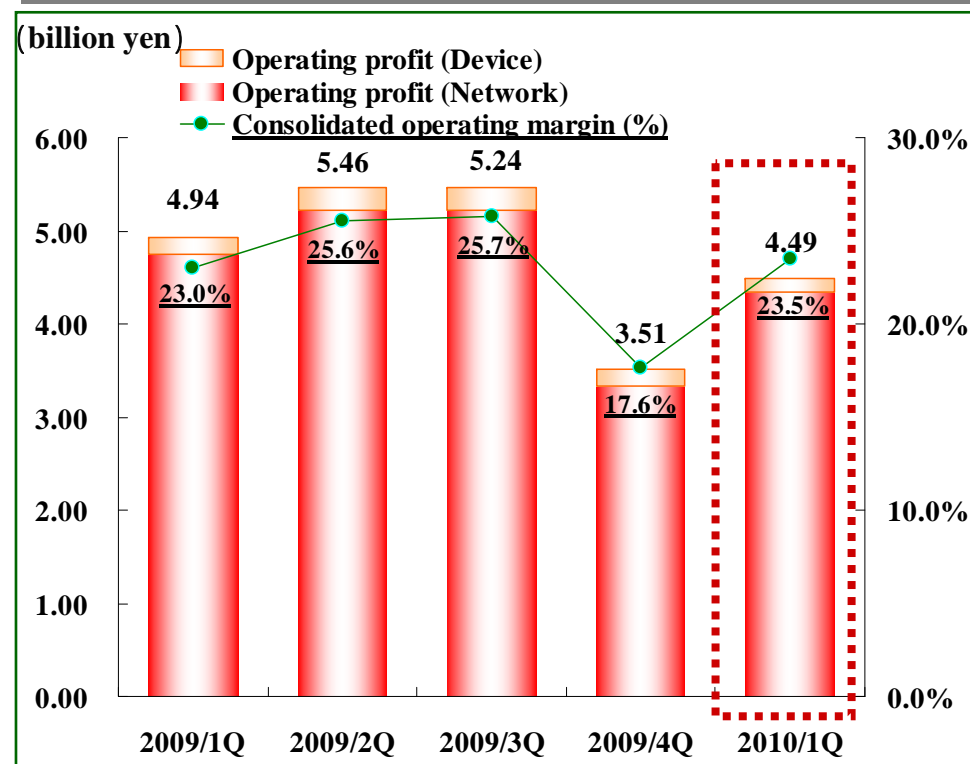
(EMOBILE treated under equity accounting method)

- Revenue declined in 1Q in-line with expectations
- Operating margin 1Q improved to 23.5%

Revenue Trend



Operating Profit/Operating Profit Margin



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

Note 2: Consolidation of EMOBILE starts from FY3/2011 2Q.

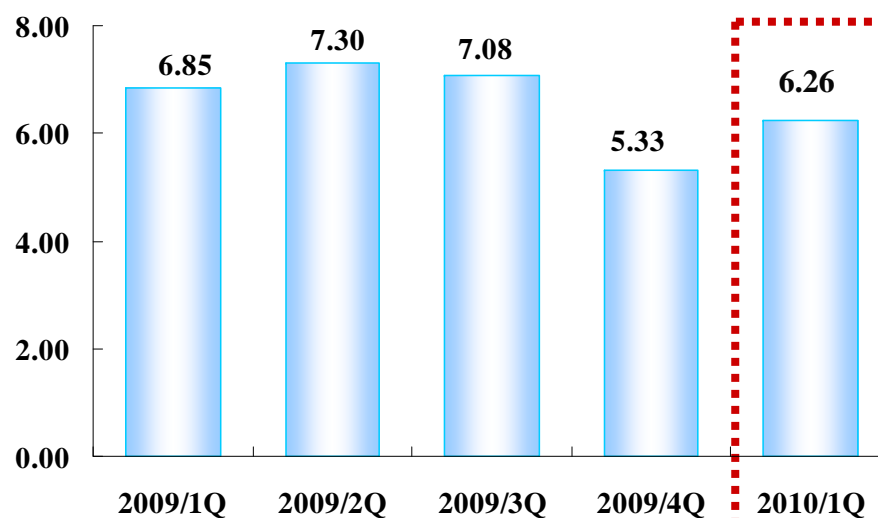
Consolidated Profits Trend

(EMOBILE treated under equity accounting method)

- Recurring profit and net income rose sharply due to improving EMOBILE financial performance

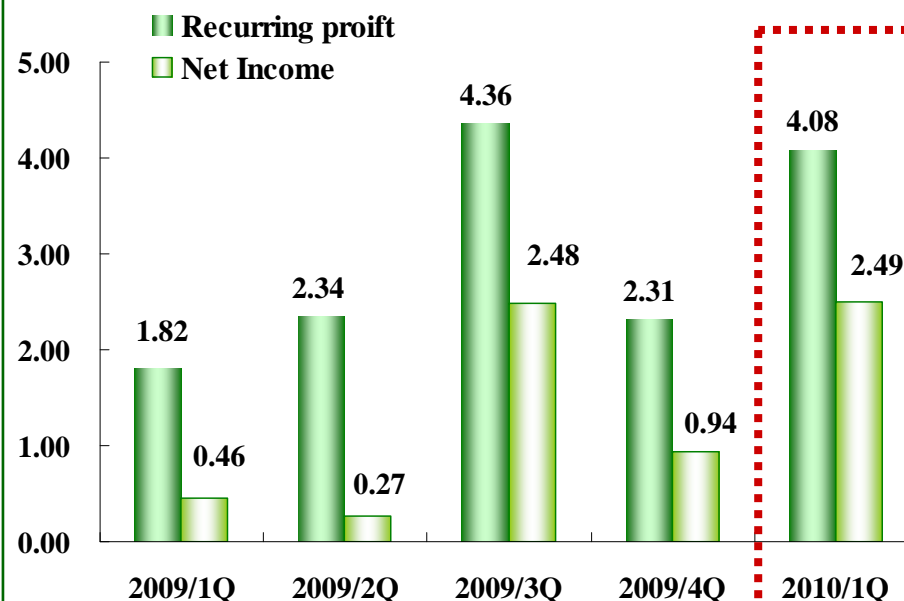
EBITDA Trend

(billion yen)



Recurring and Net Profits Trend

(billion yen)



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

Note 2: Consolidation of EMOBILE starts from FY3/2011 2Q.

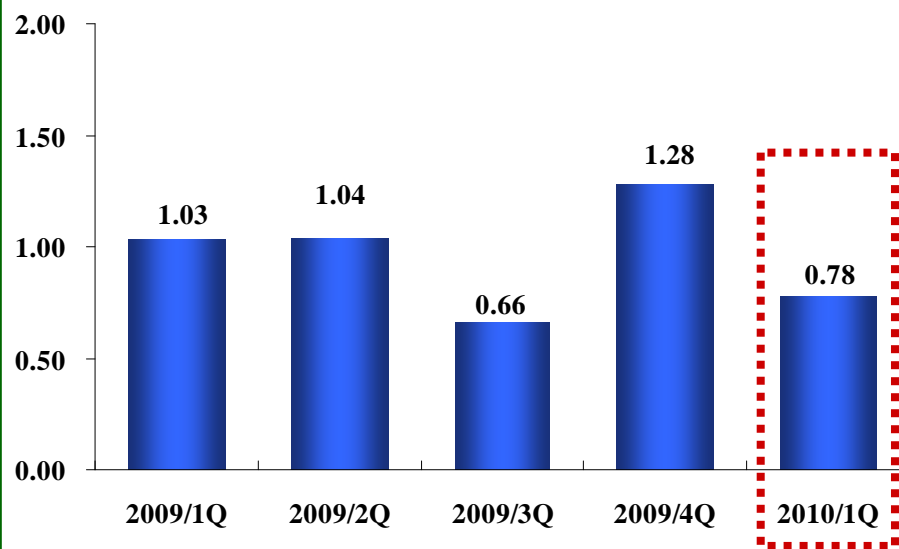
Consolidated Capex & Operating FCF Trends

(EMOBILE treated under equity accounting method)

- Capex 1Q decreased 24.9% YoY with relatively high operating FCF

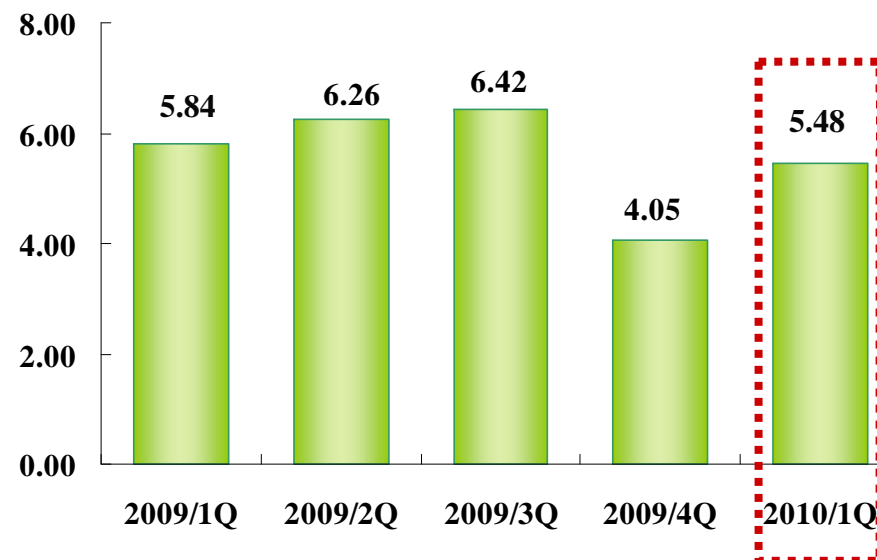
Capex Trend

(billion yen)



Operating FCF Trend

(billion yen)



Note 1: eAccess consolidated ACCA from 9/1/2008 and fully merged with ACCA on 6/25/2009.
 Note 2: Consolidation of EMOBILE starts from FY3/2011 2Q.

* Operating FCF = EBITDA - Capex

FY3/2011 1Q Results (Segment Info.)

(EMOBILE treated under equity accounting method)

	FY3/2011 1Q (4-6/2010)			
	Network Business *1	Device Business	EMOBILE etc.	Consolidated
(billion yen)				
Revenue	16.16	2.96		19.12
Operating Profit	4.35	0.14		4.49
Recurring Profit	4.12		-0.04	4.08
Net Income	2.53		- 0.04	2.49
EBITDA	6.11	0.15		6.26
CAPEX	0.77	0.01		0.78
Depreciation	1.73	0.04		1.77

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

Note 2: Consolidation of EMOBILE starts from FY3/2011 2Q.

FY3/2011 1Q EMOBILE Financial Results

- Revenue increased by 48.6% YoY due to rapid subscriber growth
- EBITDA 1Q increased 12X YoY
- EBITDA 1Q margin reached 26% compared with 3.2% 1Q FY3/2010

	FY3/2010	FY3/2011			
	1Q (4~6/2009)	1Q (4~6/2010)	YoY	Full Year* ¹ Forecast	Progress
(billion yen)					
Revenue	23.49	34.90	+ 48.6%	150.00	23.3%
Operating Profit (Losses)	- 4.48	2.32	na	13.00	17.9%
Recurring Profit (Losses)	- 6.50	- 0.10	na	4.00	na
Net Income (Losses)	- 6.51	- 0.22	na	4.00	na
EBITDA	0.75	9.07	+ 1,115.6%	43.00	21.1%
<i>EBITDA margin</i>	3.2%	26.0 %	+ 22.8 point	28.7%	na
Capex	4.57	8.21	+ 79.6%	39.00	21.1%
Depreciation	5.22	6.75	+ 29.2%	30.00	22.5%

Note 1: FY3/2011 full-year forecasts are based on the forecasts announced on 5/12/2010.

EMOBILE Cash Flows

- Positive 1Q operating FCF achieved due to continued and sustained EBITDA growth

	FY3/2010		FY3/2011	
	1Q (4~6/2009)	1Q (4~6/2010)	YoY	Full Year Forecast *2
(billion yen)				
EBITDA	0.75	9.07	+ 1,115.6%	43.00
Capex	- 4.57	- 8.21	+ 79.6%	- 39.00
Operating FCF *1	- 3.83	0.86	na	4.00
Interest (net of interest income)	- 1.79	- 1.93	na	- 7.20
Tax	- 0.02	- 0.02	na	- 0.00
Net FCF	- 5.63	- 1.09	na	- 3.20

Note 1: Operating FCF = EBITDA – Capex

Note 2: FY3/2011 full-year forecasts are based on the forecasts announced on 5/12/2010.

EMOBILE Balance Sheets

- Improved shareholders' equity and lowered net debt position compared with 3/2010

(billion yen)	6/2009	9/2009	12/2009	3/2010	6/2010
Cash & cash deposit	79.89	60.82	50.80	49.31	77.53
Debt	240.99	242.53	243.65	244.13	230.82
Net debt	161.10	181.71	192.86	194.82	153.29
Shareholders' equity	35.85	29.41	28.89	27.48	72.27
Net assets	35.85	29.41	28.89	27.48	72.27
Total assets	295.99	291.12	297.93	308.64	335.36

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