

eAccess Limited 【9427】

**3Q (cumulative) Results for Fiscal Year Ending 3/2011
(4/2010 ~ 12/2010)**



February 9th, 2011

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- Revenue in 3Q YoY up 108.8%, EBITDA up 89.9% & net profit up 48.8%

- Turned first profit at EMOBILE's standalone recurring and net levels

- Achieved 2.92 million mobile broadband subscribers, up 38% YOY

- Launched Japan's fastest level mobile broadband services EMOBILE G4

- Launched first Android (OS 2.2) Smartphone – HTC Aria

FY3/2011 3Q Consolidated Financial Results

- Consolidated 3Q financials included 9 months of EMOBILE results (1Q to 3Q) and 6 months of eAccess (only 2Q to 3Q)
- Achieved revenue in 3Q of 131.9 billion yen with EBITDA 40.3 billion yen

	FY3/2010	FY3/2011			
	3Q (4~12/2009)	3Q* ¹ (4~12/2010)	Diff. (%)	Full Year Forecast* ¹	Progress
(billion yen)					
Revenue	63.16	131.87	+108.8%	190.00	69.4%
Operating Profit	15.64	15.71	+0.4%	25.00	62.8%
<i>EM Accounting Losses</i>	- 5.46				
Recurring Profit	8.52	8.23	-3.3%	12.60	65.3%
Net Income	3.21	4.77	+48.8%	9.00	53.0%
EBITDA	21.23	40.32	+89.9%	61.00	66.1%
Capex	2.73	20.35	+645.4%	40.40	50.3%
Depreciation	5.59	24.61	+340.3%	36.00	68.4%

*1: FY3/2011 3Q results included 6-month eAccess (7-12/2010) and 9-month EMOBILE results (4-12/2010), FY3/2011 full year forecasts include 9-month eAccess (7/2010 – 3/2011) and 12-month EMOBILE forecasts (4/2010-3/2011) due to the business combination completed on 7/1/2010 which was treated as the reverse acquisition.

Consolidated Cash Flows

- Higher 3Q operating and investing cash flows reflecting EMOBILE financials
- Achieved overall positive free cash flow

	FY3/2010		FY3/2011 *1	
	(billion yen)	3Q (4~12/2009)	3Q (4~12/2010)	Diff. YoY (%)
Operating cash flow		15.53	38.64	148.8%
Investing cash flow		- 3.12	-34.16	na
Free cash flow		12.41	4.48	-63.9%
Financing cash flow		-12.76	-1.58	na
Net change in cash and cash equivalents		-0.34	2.90	na
Cash and cash equivalents at the beginning of the period *2		68.54	49.31	
Increase in cash and cash equivalents *3 related to business combination		--	11.58	
Cash and cash equivalents at the end of the period		68.20	63.79	

*1: FY3/2011 3Q results included 6-month eAccess (7-12/2010) and 9-month EMOBILE results (4-12/2010) due to the business combination completed on 7/1/2010 which was treated as the reverse acquisition.

*2: Due to the reverse acquisition noted above, cash and cash equivalents at the beginning of the period FY3/2011 1H represents prior year ending balance of EMOBILE (acquiring company).

*3: Represents cash and cash equivalents as of 6/30/2010 (before the business combination via share exchange) of eAccess.

Consolidated Balance Sheets

- Continued improvement in net debt/net asset ratio and net debt/EBITDA (last 12-month historical) ratio

(billion yen)	3/2010 (EMOBILE under equity accounting)	9/2010 (EMOBILE 100% consolidated)	12/2010 (EMOBILE 100% consolidated)
Cash and cash deposit	26.11	73.97	64.98
Debt	55.05	276.68	265.08
Net debt	28.94	202.71	200.11
Net assets *1	13.16	69.77	72.33
Total assets *1	86.86	371.89	364.58
Net debt/net assets ratio	2.2x	2.9x	2.8x
<i>EBITDA (last 12 months)</i>	26.56	*2 56.15	*2 59.13
Net debt/EBITDA ratio	1.1x	*2 3.6x	*2 3.4x

* 1: Goodwill related to the EMOBILE business combination is 10.70 billion yen (planned to be amortized over 10 years).

* 2: The EBITDA number we used for calculation of net debt/EBITDA ratio is pro-forma EMOBILE 100% consolidated number (combined eAccess and EMOBILE) of last 12 months.

Combined eAccess & EMOBILE Pro-forma FY3/2011 3Q Financials (For Comparison Purpose)

- Turned profits at EMOBILE standalone recurring and net levels
- Combined operating profits up 2.5 X YoY and EBITDA up 53.2% YoY
- Improvement in combined EBITDA margins to 31.9% from 23.5%

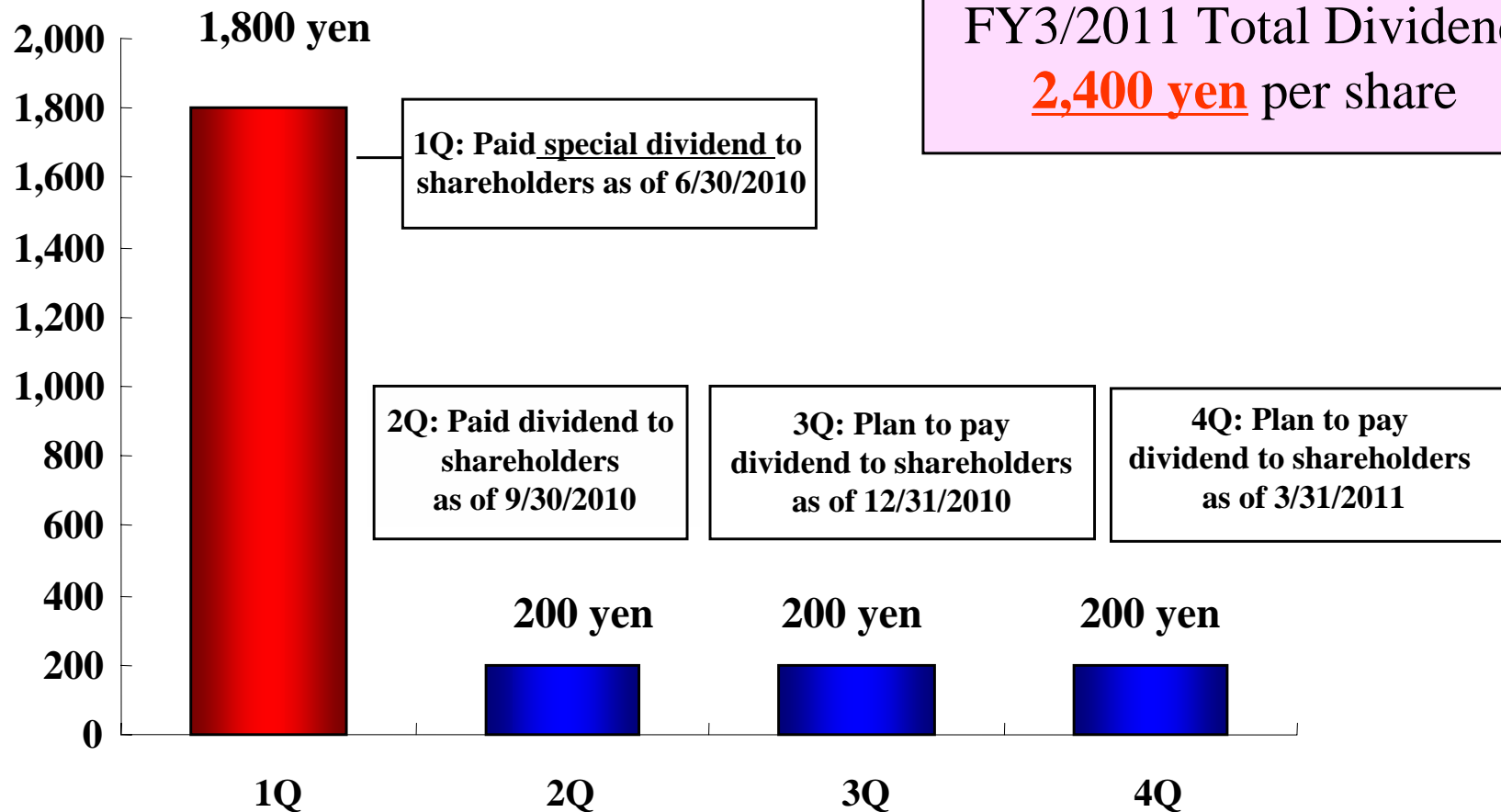
(billion yen)	Pro-forma FY3/2010 3Q			Pro-forma FY3/2011 3Q			Combined YoY (%).
	eAccess Stand-alone	EMOBILE Stand-alone	Combined	eAccess Stand-alone	EMOBILE Stand-alone	Combined	
Revenue	62.93	81.27	129.31	53.90	105.32	145.97	+12.9%
Operating Profit (Losses)	15.52	-7.00	7.58	13.33	7.32	19.96	+163.3%
Recurring Profit (Losses)	13.80	-13.41	-0.58	12.17	0.82	12.03	na
Net Income (Losses)	8.20	-13.47	-6.17	7.11	0.64	6.85	na
EBITDA	21.14	9.37	30.35	18.53	28.07	46.50	+53.2%
<i>EBITDA margin</i>	33.6%	11.5%	23.5%	34.4%	26.7%	31.9%	+8.4 point
Capex	2.76	32.33	33.57	1.88	19.45	20.89	-37.8%
Depreciation *1	5.62	16.37	22.77	5.20	20.75	26.54	+16.6%
Operating FCF	18.38	-22.96	-3.22	16.65	8.62	25.61	na

*1: Combined depreciation includes amortization of goodwill.

Shareholder Returns

- Plan to pay 3Q quarterly dividend of 200 yen per share
- Cancelled repurchased shares of 45,591 in 3Q (1.30% of total no. of shares)

(Dividend per share, yen)



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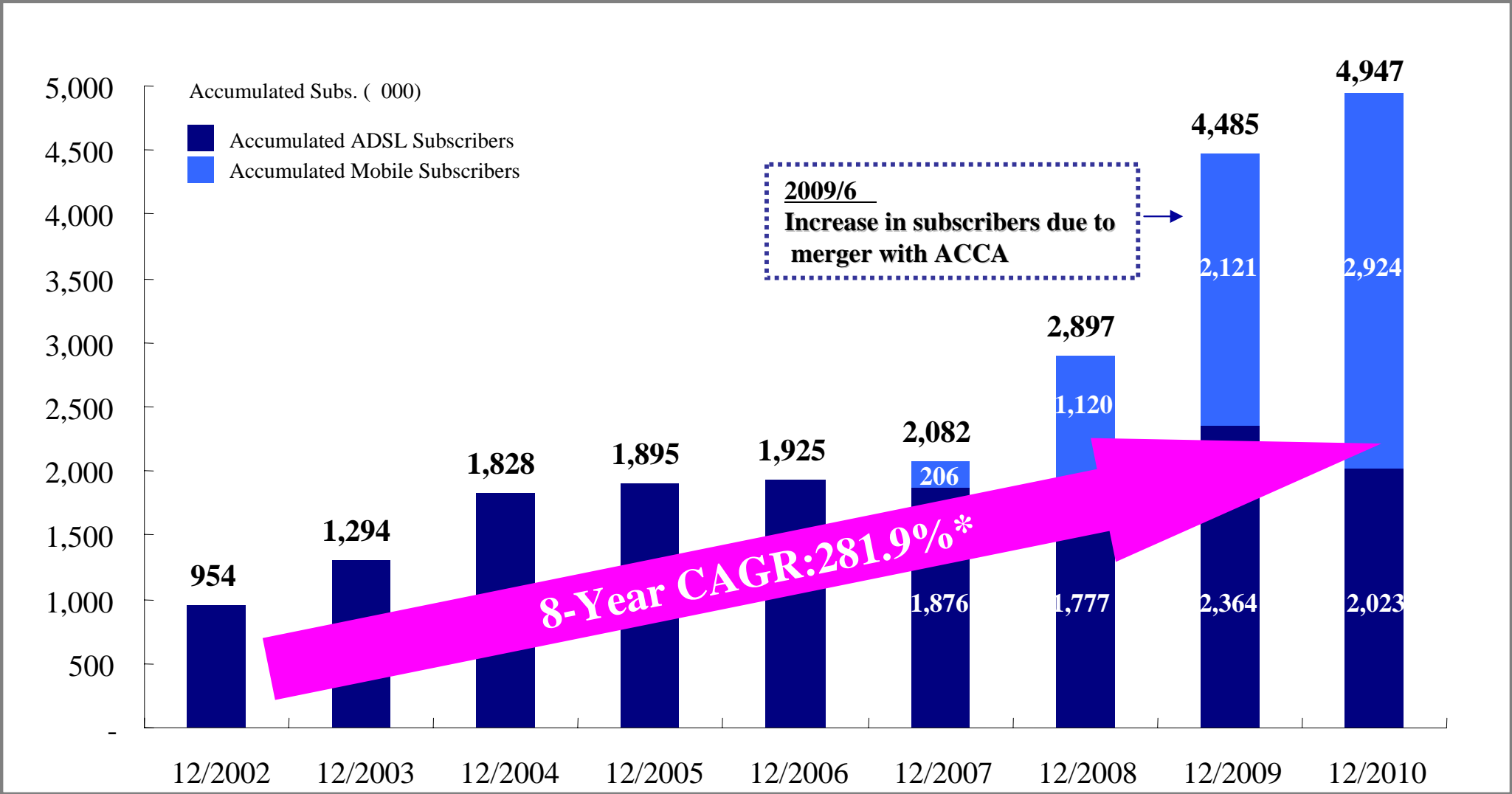
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Subscribers Trend of eAccess Group

**eAccess & EMOBILE combined subscriber base is approaching 5million
EMOBILE achieved important subscriber benchmark of 3million as of 1/30/2011**



* 2002-2010

Key Performance Indicators

		Results					Forecast
		FY3/2010 3Q	FY3/2010 4Q	FY3/2011 1Q	FY3/2011 2Q	FY3/2011 3Q	FY3/2011 full-year
ADSL	Subscriber #	2,364,000	2,285,000	2,204,000	2,118,000	2,023,202	approx. 1,900,000
	ARPU (yen)	2,008	1,995	1,973	1,966	1,953	approx. 1,950
	Monthly churn rate	1.82%	2.07%	2.12%	1.91%	2.03%	approx. 1.89%
	SAC (yen) ^{*2}	7,000	11,000	8,000	8,000	7,000	approx. 8,000
	SAC/ARPU (Month)	3.5	5.5	4.1	4.1	3.6	approx. 4.1
MOBILE	Subscriber #	2,121,100	2,351,800	2,537,300	2,740,800	2,923,600	approx. 3,200,000
	ARPU (yen) ^{*1}	3,260	3,450	3,400	3,250	3,100	approx. 3,300
	Monthly churn rate	0.92%	1.18%	1.37%	1.29%	1.40%	approx. 1.40%
	SAC (yen) ^{*2}	25,000	25,000	25,000	25,000	25,000	25,000-30,000
	SAC/ARPU (month)	7.7	7.2	7.4	7.7	8.1	7.6 - 9.1

*1: ARPU definition was changed from FY3/2010 4Q due to accounting rule changes.

*2: SAC stands for per subscriber acquisition cost.

EMOBILE G4 (42Mbps)

Smartphone (Android) – HTC Aria

Pocket WiFi S

Flat Mobile Voice Campaign

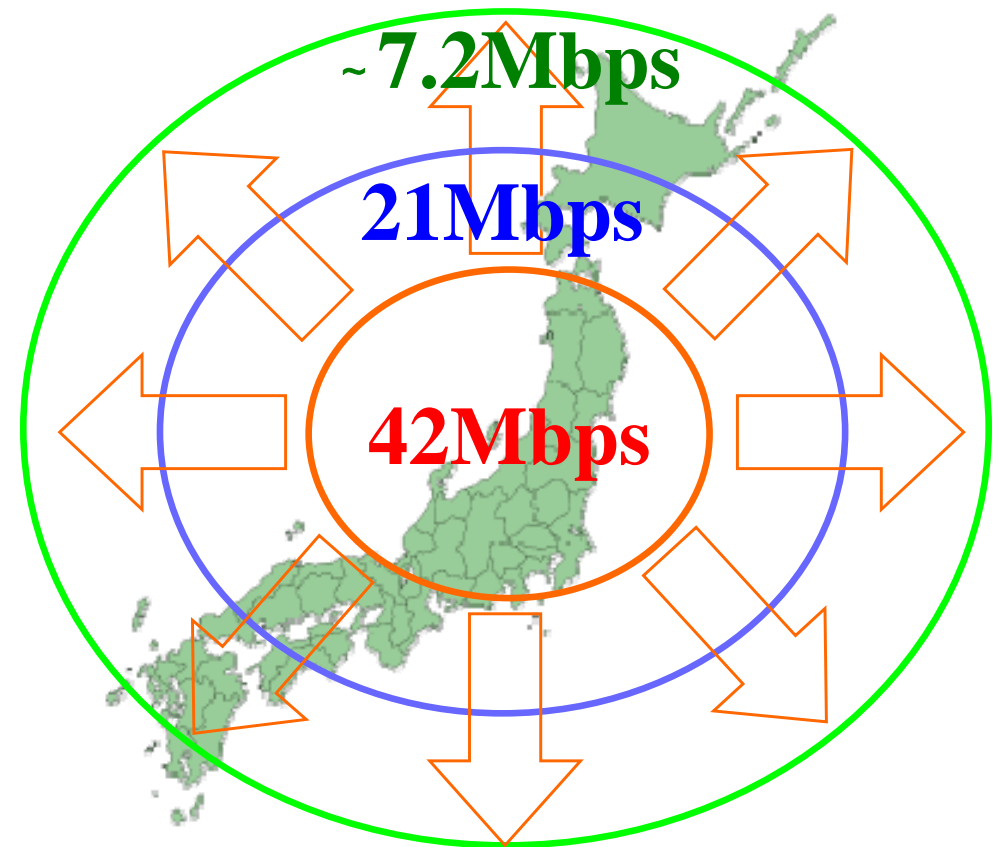
Pocket WiFi Dock (FMC Cradle + FMC tariffs)

NTT Alliance (Hikari Portable Bundling)

Launched Japan's fastest mobile broadband network in December 2010
Aggressive area rollout plan and competitive tariff plans

EMOBILE G4

Speed	42Mbps
Launch	3 rd December 2010
Spectrum	1.7GHz (10MHz x 2)
Service Area	Approx. 40-50% (as of 3/2011) Approx. 75% (as of 2015)
Monthly Charge	900 yen - 5,980 yen* ¹



*1: EMOBILE charges are under two-year contract (Ninen-S)

Successful launch of Android™ OS based Smartphone – HTC Aria in December 2010

htc Aria™



Wi-Fi Function

- ✓ Tethering function (built-in Mobile Wi-Fi Router)
- ✓ Up to 8 simultaneous connections

OS

- ✓ Android™ 2.2

Design

- ✓ Compact and stylish

Function

- ✓ Telephone, Web browser, Camera, etc.

- Launched Pocket WiFi S in January 2011
- Leverage with the success of EMOBILE's No.1 Best Seller – Pocket WiFi*1



Wi-Fi Function

- ✓ Tethering function (built-in Mobile Wi-Fi Router)
- ✓ Up to 5 simultaneous connections

OS

- ✓ Android™ 2.2

Design


- ✓ Simple and compact
- ✓ Start up Wi-Fi with a single touch

Other Functions

- ✓ Telephone, Web browser, Camera, etc.

*1: (Source: GFK Japan, Data communication category from 12/2009 to 11/2011)

EMOBILE is the only operator to offer tethering available without any extra charges

		Company A	Company B	Company C
Monthly charge for voice	¥0	¥980	¥980	¥980
Monthly charge for data without tethering	¥580~4,980	¥390~5,985	¥390~5,985	¥4,410
Monthly charge for data with tethering		¥390~10,395	¥390~10,395	Not Available
Monthly IP connection fee	¥0	¥315	¥315	¥315
Monthly Total	¥580 ~ 4,980 (with tethering)	¥1,685~11,690 (with tethering)	¥1,685~11,690 (with tethering)	¥5,705 (without tethering)

*1: All domestic calls within 10 minutes are free of charge up to 500 calls/ month

Launched the first flat rate voice plan (1,820 yen/month) for smartphone
(with the maximum of 500 free calls with that each call is within 10 minutes)

Monthly Charge	Data Including Tethering	Voice
スマートプラン Smart Plan	4,280 yen^{*1} (flat rate)	Flat-rate voice campaign
スマートプランライト Smart Plan Lite	280 ~ 4,680 yen^{*1} (Double-flat rate)	1,820yen^{*2} ➤ Including all domestic calls within 10min ➤ Up to 500 calls/ month

*1: 2-year contract (Ninen Tokuwari)

*2: Campaign price until 3/31/2011

Launched seamless Pocket WiFi and fixed broadband WiFi dock station
Launched bundled discounted daytime plan with competitive ADSL price
Increase customer satisfaction and lower mobile traffic at peak hours

Key Features



- ✓ 8,500 yen for the Pocket WiFi dock
- ✓ Can be used with any fixed lines provided by EMOBILE & any other providers (FTTH or cable internet etc.)
- ✓ Dock can be used as a mobile router without Pocket WiFi
- ✓ Pocket WiFi is chargeable during internet connection via fixed line

Broadband FMC Bundling Package

Daytime
2:00-20:00

24 hours

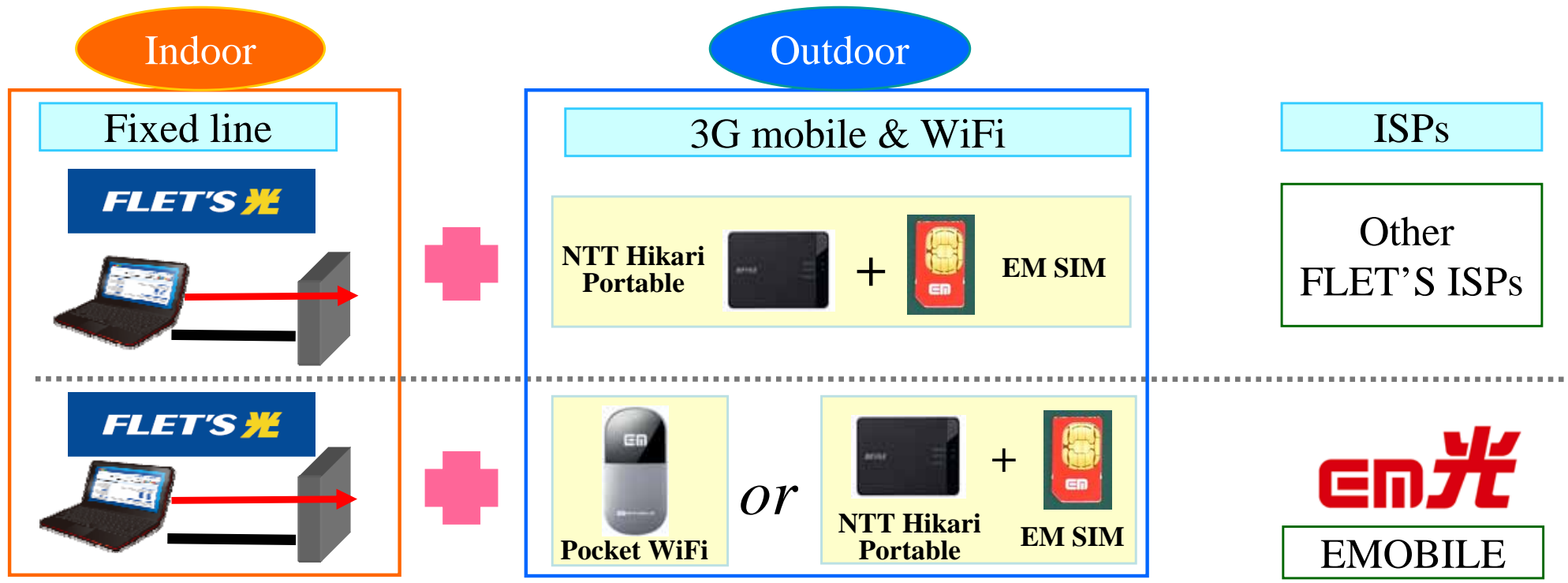


Pricing Plan	Monthly Charge	Time
Daytime Plan (Ninen M) *1	3,480 yen	2:00~20:00
ADSL Service (Type 1) *2	1,500 yen	24hours
Total	<u>4,980 yen</u>	-

*1: 2-year contract

*2: 3,000/month & bundling price is 6,480 yen for Type2

**Alliance with NTT East and West on bundling “Hikari Portable” Devices
Launched daytime discounted bundling packages for NTT’s FTTH users**



Monthly Charge Example for EM Hikari



* 1: Plan 2 VDSL type *2: 2,480 yen is a campaign price until 3/31/2011.

Launched competitive installment & Pocket WiFi set tariffs for corporate iPad users

iPad Alone

A: Lump-sum Payment

Product		Initial Cost
iPad Wi-Fi	16GB	48,800 yen
	32GB	58,800 yen
	64GB	68,800 yen

X25 times

B: Installment Payment

Product		Annual Rate*1	Monthly Payment
iPad Wi-Fi	16GB	0%	1,952 yen
	32GB		2,352 yen
	64GB		2,752 yen

*1: Campaign Price until April 2011

iPad & Pocket WiFi

Data Plan Ninen Max*1

39,580 yen



48,800 yen (16GB)



All together

Product		Initial Cost	Monthly mobile charge
iPad Wi-Fi + Pocket WiFi	16GB	18,780 yen	5,980 yen/ month (Flat rate)
	32GB	28,780 yen	
	64GB	38,780 yen	

* 1: 2-year contract

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FY3/2011 3Q Results (Segment Info.)^{*1}

(EMOBILE treated as a 100% consolidated subsidiary from FY3/2011 2Q)

	FY3/2011 3Q (4-12/2010)				
	Mobile business	Network business ^{*2}	Device business	Elimination	Consolidated
(billion yen)					
Revenue	105.32	30.50	4.32	-8.27	131.87
Operating Profit	7.32	8.87	0.01	-0.49	15.71
Recurring Profit	8.23			-	8.23
Net Income	4.77			-	4.77
EBITDA	28.08	12.30	0.03	-0.08	40.32
Capex	19.25	1.10	0.00	-	20.35
Depreciation	20.75	3.43	0.02	0.41	24.61

*1: Segment information of FY3/2011 3Q includes 6-month eAccess (7-12/2010) and 9-month EMOBILE results (4-12/2010) due to the business combination completed on 7/1/2010 which was treated as the reverse acquisition.

*2: Network business : ADSL Business, Retail Business, Backbone Business and MVNO Business.

FY3/2011 3Q EMOBILE Financial Results

- Turned profits at operating, recurring and net levels
- A sharp improvement in EBITDA margins to 26.7% from 11.5% last year

	FY3/2010	FY3/2011			
	3Q (4~12/2009)	3Q (4~12/2010)	Diff. (%)	Forecast	Progress
(billion yen)					
Revenue	81.27	105.32	26.6%	150.00	70.2%
Operating Profit (Losses)	- 7.00	7.32	na	13.00	56.3%
Recurring Profit (Losses)	- 13.41	0.82	na	4.00	20.5%
Net Income (Losses)	- 13.47	0.64	na	4.00	16.0%
EBITDA	9.37	28.07	199.6%	43.00	66.7%
<i>EBITDA margin</i>	11.5%	26.7 %	15.2point	28.7%	na
Capex	32.33	19.45	na	39.00	49.9%
Depreciation	16.37	20.75	26.8%	30.00	69.2%

EMOBILE Cash Flows

- Operating cash flow turned positive in 3Q FY3/2011

	FY3/2010		FY3/2011	
	(billion yen)	3Q (4~12/2009)	3Q (4~12/2010)	Diff. (%)
Operating cash flow		-13.36	29.55	na
Investing cash flow		-31.66	-31.26	na
Free cash flow		-45.02	-1.71	na
Financing cash flow		28.40	1.39	-95.1%

EMOBILE Balance Sheets

- Decline in gross debt position
- Lower leverage (net debt/EBITDA) ratio to 4.1x from 10.7x

(billion yen)	3/2010	12/2010
Cash and cash deposit	49.31	48.99
Debt	244.13	201.78
Net debt	194.82	152.79
Net assets	27.48	73.12
Total assets	308.64	307.75
Net debt/net assets ratio	7.1x	2.1x
<i>EBITDA (last 12 months)</i>	18.21	36.92
Net debt/EBITDA ratio	10.7x	4.1x

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