eAccess Ltd.

RESULTS OF OPERATIONS AND FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED MARCH 31, 2011

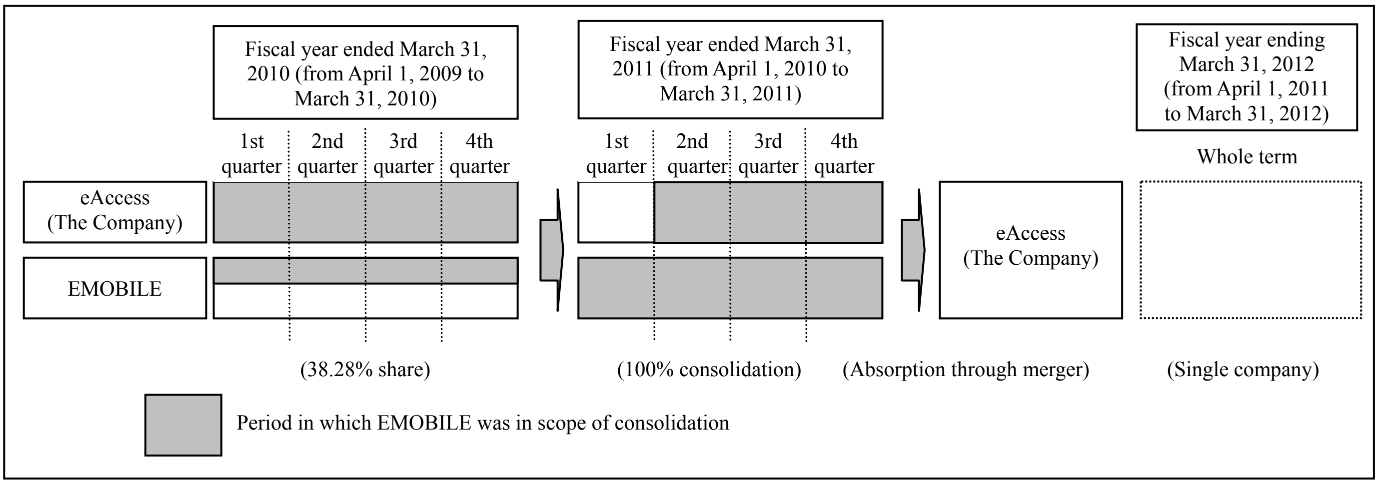
This document contains our projections and other “forward-looking statements” that reflect eAccess’ current expectations and projections, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments, and anticipated regulatory changes in the markets in which we operate or intend to operate. These forward-looking statements involve risks and uncertainties and are not guarantees of future performance. They are based on numerous assumptions and our actual results of operations, including our financial condition and liquidity and the development of the industries in which we operate, may materially differ from these forward-looking statements. These forward-looking statements speak only as of the date hereof and we undertake no obligation to update or revise any forward looking statements.

Solely for your convenience, this document contains translations of certain Japanese yen amounts into U.S. dollar amounts. Unless indicated otherwise, the Japanese yen amounts in this document were converted into U.S. dollars at the exchange rate of $1.00 = ¥82.76, the exchange rate in effect as of March 31, 2011, as set forth in the H.10 weekly statistical release of the Board of Governors of the Federal Reserve System of the United States. The translations into U.S. dollars set forth herein are for convenience only and are not audited. No representation is made that the Japanese yen amounts have been, could have been or could be converted into U.S. dollars at such rates or any other rate.

1. Operating Results

(1) Analysis of Operating Results
[Operating Results for the Fiscal Year under Review]
eAccess Ltd. (“the Company”), a wholesale ADSL operator, and EMOBILE Ltd. (“EMOBILE”), a provider of mobile broadband services, resolved through their annual shareholders meetings in June 2010 that EMOBILE would become a wholly-owned subsidiary of the Company upon completing a share exchange on July 1, 2010. This was followed, on March 31, 2011, by the absorption of EMOBILE by the Company through a merger. The aim of these moves was to address a changing business climate for both companies by further streamlining and expediting Group management decisions. Key industry developments behind this change in climate have included faster speeds in the mobile communications market and intensified competition between providers aiming to diversify services.
Although EMOBILE was no longer a consolidated subsidiary at the end of the fiscal year because of the merger, the Company is reporting consolidated operating results for this fiscal year. As the purchase of EMOBILE is a reverse acquisition under the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, December 26, 2008), the consolidated financial statements for the term are based on those of EMOBILE. The Company thus consolidated EMOBILE’s results for April 1, 2010, to March 30, 2011, with the Company’s results for nine months (July 1, 2010, to March 31, 2011).
As EMOBILE was an equity-method affiliate in the previous fiscal year, its revenue and operating profit are not reflected in consolidated financial results. Only the Company’s 38.28% share of EMOBILE’s net loss is recognized as a consolidated non-operating expense.

■ Explanatory diagram showing subject period



EMOBILE is steadily increasing both the number of contracts and revenue. A key growth driver is Pocket WiFi, an integrated 3G mobile and Wi-Fi router, reflecting the spread of Wi-Fi-compatible portable game consoles, audio players, and tablet devices. As part of its efforts to bolster services and devices, in December 2010, EMOBILE became the first provider in Japan to offer DC-HSDPA technology, which delivers a maximum downlink speed of 42 megabits per second, and also launched a smartphone which uses the operating system of Android™.
With the addition of revenue from EMOBILE through the above merger, consolidated revenue increased ¥98,474 million, or 118.5% in the fiscal year under review, to ¥181,541 million. Consolidated operating profit decreased ¥4,184 million, or 21.8%, to ¥14,967 million. Recurring profit dropped ¥5,740 million, or 53.0%, to ¥5,088 million. These declines were due to the consolidation of those profits of the Company for nine months only (July 1, 2010, to March 31, 2011) and an inventory valuation loss at EMOBILE. Moreover, because of refinancing, non-recurring losses increased owing to a one-time write-off of depreciation of long-term prepaid expenses relating to previous EMOBILE loan agreements and losses on disposition of fixed assets. In line with the merger with EMOBILE, however, the Company recognized deferred tax assets from that company, offsetting taxable income, and benefitted from a gain in income/loss tax expense-deferred. Net income therefore increased ¥10,416 million, or 251.1%, to ¥14,565 million.

A. Mobile Business

(¥ in millions)

	FY3/2011	FY3/2011	Increase/decrease	%
Revenue	142,637	–	–	–
Segment profit or operating profit	2,633	–	–	–

	FY3/2011	FY3/2010	Increase/decrease	%
Net increase in subscribers (thousands)	766.1	941.6	(175.5)	(18.6)
Accumulated total subscribers (thousands)	3,117.9	2,351.8	766.1	32.6
ARPU (yen/month)	3,160	3,340	(180)	(5.4)
Monthly churn rate (%)	1.38	1.05	–	–

	4Q FY3/2011	4Q FY3/2010	Increase/decrease	%
Net increase in subscribers (thousands)	194.3	230.7	(36.4)	(15.8)
ARPU (yen/month)	2,950	3,450	(500)	(14.5)
Monthly churn rate (%)	1.45	1.18	–	–

* ARPU: Average Revenue Per User (amounts less than ¥10 are rounded off)

As Mobile Business operator EMOBILE was an equity-method affiliate in the previous fiscal year, information for the Mobile Business is not presented for the period.
The Mobile Business deployed marketing initiatives that concentrated on Pocket WiFi, going beyond offering combinations of notebook computers and data cards through large retailers. This is because demand is expanding for Pocket WiFi, with the spread of devices such as Wi-Fi-compatible portable game consoles, audio players, and tablet terminals. In December 2010, with the aim of achieving higher speeds, EMOBILE became the first provider in Japan to offer DC-HSDPA technology, which delivers a maximum downlink speed of 42 megabits per second. Also that month, EMOBILE expanded its device lineup with the HTC Aria™, a smartphone running on the Android™ operating system with open tethering that can be used as a Wi-Fi router,, and the Pocket WiFi S. EMOBILE thus had an aggregate 3,118 thousand mobile subscribers as of March 31, 2011, up 766 thousand, or 32.6%, from a year earlier. Also as of that date, nationwide service coverage in population terms was 91.9%.
Steady growth in the number of subscribers resulted in revenue of ¥142,637 million and segment profit of ¥2,633 million for the year.

Number of Subscribers

EMOBILE added a net 766 thousand subscribers during the fiscal year. The net figure shows the difference between the number of new subscribers and cancellations. Although the net gain in the previous fiscal year was high owing to packaged sales of notebook computer and data cards, the number of subscribers again grew in this fiscal year, largely on the strength of sales of Pocket WiFi through mass retailers and through wholesale channels for mobile broadband lines.
In the fourth quarter (January 1 to March 31, 2011), the net number of subscribers grew to 194 thousand.

ARPU (Average Revenue Per User)

Average revenue per user declined ¥180, from ¥3,340 in the previous fiscal year, to ¥3,160. The main factors in this were a higher rate of wholesale sales and the expiration of two-year, long-term contract discounts, which increased the proportion of contract categories with discounted initial costs and limited monthly charges, although this was offset by the lessening impact of a campaign conducted during the fiscal year to discount basic monthly charges.
Fourth-quarter average revenue per user was down ¥500 from the ¥3,450 posted a year earlier, at ¥2,950.

Churn Rates

The annual churn rate rose 0.33 percentage points, to 1.38%. This mainly reflected contract cancellations among some customers upon completing two year, long-term contract discounts.
The fourth-quarter churn rate increased 0.27 percentage points, to 1.45%.

B. Network Business

(¥ in millions)

	FY3/2011	FY3/2010	Increase/decrease	%
Revenue	44,804	71,018	(26,214)	(36.9)
Segment profit or operating profit	12,844	18,320	(5,476)	(29.9)

	FY3/2011	FY3/2010	Increase/decrease	%
ADSL accumulated total subscribers (thousands)	1,928	2,285	(357)	(15.6)
ADSL ARPU (yen/month)	1,961	2,015	(54)	(2.7)
ADSL monthly churn rate (%)	2.03	1.90	–	–

	4Q FY3/2011	4Q FY3/2010	Increase/decrease	%
ADSL ARPU (yen/month)	1,949	1,995	(46)	(2.3)
ADSL monthly churn rate (%)	2.08	2.07	–	–

* ARPU: Average Revenue Per User (amounts less than ¥1 are rounded off)

In the Network Business, as the previously described merger with EMOBILE is a reverse acquisition, the Company’s financial results for this fiscal year only cover the nine-month period from July 1, 2010, to March 31, 2011, whereas financial results for the previous fiscal year reflected the 12-month period from April 1, 2009 to March 31, 2010.
Segment revenue therefore decreased ¥26,214 million, or 36.9%, from the previous fiscal year, to ¥44,804 million. Segment profit declined ¥5,476 million, or 29.9%, to ¥12,844 million.
The aggregate number of ADSL subscribers as of March 31, 2011 was 1,928 thousand. This was down from a year earlier because the number of cancellations exceeded the number of new subscriptions despite joint efforts with Internet service providers and other partners to attract new customers and suppress churn rates.

C. Device Business

(¥ in millions)

	FY3/2011	FY3/2010	Increase/decrease	%
Revenue	7,022	12,170	(5,148)	(42.3)
Segment profit or operating profit	117	831	(714)	(85.9)

In the Device Business, too, as the previously described merger with EMOBILE is a reverse acquisition, the Company’s financial results for this fiscal year only cover the nine-month period from July 1, 2010, to March 31, 2011, whereas financial results for the previous fiscal year reflected the 12-month period from April 1, 2009 to March 31, 2010.
As a result, segment revenue declined ¥5,148 million, or 42.3%, from the previous fiscal year, to ¥7,022 million. Segment profit was down ¥714 million, or 85.9%, to ¥117 million.

Outlook for Next Fiscal Year
As EMOBILE is no longer a consolidated subsidiary owing to the merger by absorption conducted on March 31, 2011, there are no plans to produce consolidated financial statements for the fiscal year ending in March 2012. The Company is thus presenting individual forecasts.
For the next fiscal year, the Company expects the Network Business to shrink with a reduction in the number of ADSL subscriptions in line with a decline in the ADSL market. At the same time, management expects the EMOBILE-branded Mobile Business to continue expanding with the mobile communications market. The Company therefore projects ¥200,000 million in revenue, ¥30,000 million in operating profit, ¥17,000 million in recurring profit, and ¥17,000 million in net income.

Note: As forecasts are for the full term, the Company has not presented consolidated projections for the first six-month period.
Note that the above forecasts are based on the Company’s judgment, on the basis of currently available information

which may include uncertainties. Actual results may differ from these forecasts due to changing business conditions and other factors.

2. Analysis of Financial Condition

A. Status of Assets, Liabilities, and Net Assets
As EMOBILE was no longer a consolidated subsidiary as of March 31, 2011, owing to the merger by absorption at the end of the fiscal year, the Company, having no remaining consolidated subsidiaries, has not prepared consolidated balance sheets at the fiscal year end.

B. Cash Flows
As a consequence of the previously mentioned business combination with EMOBILE, from the second half of the fiscal year ended March 31, 2011, there was a loss of continuity with the previous corresponding period. As a result, comparisons with the previous fiscal year are not presented.
Due to reverse acquisition accounting procedures, the financial statements of EMOBILE are used as the basis for the Company's consolidated financial statements from July 1, 2010. As a result, cash and cash equivalents at the beginning of the year ended March 31, 2011 are those of EMOBILE at that time.
Cash and cash equivalents at the end of the year under review were ¥43,397 million. This amount resulted from ¥49,311 million in cash and cash equivalents at the beginning of the year for EMOBILE, less ¥17,497 million of net change in cash and cash equivalents, plus ¥11,583 million of net increase in cash and cash equivalents as a result of business combination via share exchange. The analysis of specific cash flow components is as follows.

(Cash Flows from Operating Activities)
Net cash provided by operating activities during the year ended March 31, 2011 was ¥52,002 million. The main factors in this were ¥33,126 million in depreciation of non-fund transactions, ¥718 million for amortization of goodwill, a ¥2,537 million loss on valuation of securities investments, a ¥2,217 million loss on disposition of fixed assets, a ¥2,552 million amortization of long-term prepaid expenses, and a ¥10,662 million decrease in inventories, which included a ¥9,199 million inventory valuation loss.

(Cash Flows from Investing Activities)
Net cash used in investing activities was ¥45,848 million, mainly for capital expenditure outlays in the Mobile Business.

(Cash Flows from Financing Activities)
Net cash used in financing activities was ¥23,651 million. The principal inflow was ¥44,954 million in proceeds from stock issuance. The main outflows were ¥55,340 million in net proceeds from and repayments of short- and long-term debt, ¥12,924 million in repayments of installment obligations, ¥2,822 million in the purchase of treasury stock, and ¥4,199 million in dividends paid.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Equity ratio (%)	15.5	7.4	14.6	–
Market value equity ratio (%)	73.7	69.9	113.6	–
Interest bearing debt to cash flows ratio (years)	–	5.4	3.7	–
Interest bearing debt to cash flows ratio (times)	–	13.5	9.1	6.4

(Notes) 1. Indices were calculated according to the following formulae.
Equity ratio: Shareholders' equity/Total assets
Market value equity ratio: Total market capitalization/Total assets
Interest-bearing debt to cash flows ratio: Interest-bearing debt/Operating cash flow
Interest coverage ratio: Operating cash flow/Interest payment.
2. The above indicators are calculated based on consolidated financial figures.
3. Total market capitalization is calculated by multiplying the closing stock price at the end of the period by the total number of issued shares at the fiscal year end. Total market capitalization is calculated on the basis of the number of issued shares excluding preferred stock.
4. Interest-bearing debts refer to all debts on the consolidated balance sheets for which interest is paid. Convertible bond-type bonds with acquisition rights to shares in the item "bonds" in the consolidated balance sheets are included in the calculation, even though there are some items on which interest is not paid.

5. For the fiscal year ended March 31, 2008, as cash flow from operating activities was negative, the interest bearing debt to cash flows ratio and interest coverage ratio are not calculated.
6. As the consolidated balance sheets for the fiscal year ended March 31, 2011 have not been prepared, equity ratio, market value equity ratio and interest bearing debt to cash flows ratio have not been calculated.

3. Dividend Policy and Dividends for FY2011 and FY2012

Our group's dividend policy is to distribute stable and consistent funds to shareholders after comprehensive consideration of our business performance each year, while also retaining the internal reserves necessary for enhancements in future business development and our corporate structure.
Instead of a regular dividend for the first quarter, the company distributed a special dividend of ¥1,800 per share to the common stockholders as of June 30, 2010, owing to the completion of the operational integration with EMOBILE. The company has distributed the quarterly dividends of ¥200 per share since the second quarter, and total dividends for common stockholders will amount to ¥2,400 (including special dividend of ¥1,800) per share for the year. The company has also distributed quarterly dividends of ¥1,862,188 per share to the shareholders of preferred stock, or total dividends of ¥7,448,750 for the year, based on the predetermined calculation method.
The company shall maintain the dividend policy in the next fiscal year, and plans to pay quarterly dividends of ¥200 per share, or yearly dividends of ¥800 in total, for common stockholders as well as the preferred stock dividends based on the predetermined calculation method.

4. Business and Other Risks

Listed below are principal business risks surrounding the Company which have the possibility of affecting the Company's business performance in the future. In view of our proactive information disclosure policy for investors and shareholders, we have also included information considered to be material for investment decisions and understanding of our business activities, which may not be necessarily categorized as business risks. Acknowledging such risks in advance, our approach is to prevent them from occurring, or to handle them and take appropriate countermeasures should they occur.
Please take note that the descriptions below may not cover all of the risks that need to be addressed in making investment decisions regarding the company's stocks, and such descriptions also contain forward-looking statements which are determined as of the end of this fiscal year.

A. Competitive Situation
Some competitor companies in the broadband and mobile communications market have greater management resources than the Company, such as greater capital, technology and sales capabilities, as well as such factors as a stronger brand value and a larger customer base than the Company. There is also a chance that companies entering the market will intensify competition. Some competitors provide value-added services that we do not, and some competitors cover wider service areas that we do not cover. In the future, companies entering the market may provide innovative services that we are not able to offer. Such intensification of competition could weaken our management base by having adverse effects on our profitability and sales capabilities.

B. Execution of Mobile Business Plan
Competition in the mobile broadband business may change beyond our expectation reflecting such developments as the expansion of high-speed data communication services, the introduction of flat rate charges, and the emergence of smartphones. Reflecting such changes in the market, there is a possibility of our results falling short of our business plan. Unexpected changes in the business environment also include technology innovation or substitution, which may reduce the service value of the company, and this may cause more losses than expected or may require more capital expenditures than planned. As a result, the Company may be obliged to alter our business plan, and if such an alteration occurs, it may adversely affect business performance and financial condition of the company.
In addition, if the frequency band allocated for the company becomes insufficient to accommodate increases in subscribers, the company may not able to maintain its quality of service nor continue to provide competitive services. In such a case, our operating results may be adversely affected.
When the company constructs its mobile business transmission base stations, it may be required to reduce wave interference against other carriers' stations in the neighborhood. There is a possibility that the Company, which has newly entered the market, may need to bear a part of such interference prevention expenses, and these expenses may adversely affect the business performance and financial condition of the company.

C. Network Business
If government policy for broadband communication advocates the use of FTTH, there may be incentives to move to FTTH, such as price reductions, service area expansions and others. Such factors may accelerate subscriber shifts from ADSL to FTTH services, which would result in a further decline of our ADSL subscriber base and affect our operating results and financial condition.

D. Securing Business Financing
On March 31, 2011, the Company refinanced total borrowings of ¥165,000 million which EMOBILE Ltd. had

borrowed beforehand in order to secure necessary funds for its mobile businesses. For the syndicate loan agreements, the Company's major assets in the mobile business were pledged as collateral and certain financial and operating covenants were provided. In the event of breach of these covenants, the company would lose the benefit of term with respect to all contractual liabilities, which would have a materially adverse impact on the overall management of the company.

E. Inventories of Mobile Devices

To ensure that we meet commitments and do not forego sales opportunities, it is necessary for us to maintain appropriate inventories of mobile devices in our distribution channel. However, if we carry excess inventories against our sales prospects and capabilities, such excess inventories may be recorded as valuation loss, which may have an adverse effect on our business performance.

F. Maintenance and Procurement of Network Facilities in the Network Business

The company provides and maintains ADSL service relying on facilities and equipment from machine vendors and suppliers. There is a possibility of the suppliers from which we procure ADSL chips discontinuing chip production due to market maturation or reduced capital expenditure, and in such a case it may become difficult for us to procure new ADSL modems. This could make it difficult for us to procure repair or replacement parts for existing ADSL equipments, which may adversely affect our delivery of ADSL services.

In terms of transmission equipment, although we take appropriate preemptive measures such as scheduled equipment renewal to maintain our transmission capabilities, the aging of equipment may adversely affect our network and disrupt our network services.

G. Relationships With Business Partners

1. Relationship with partners

   As the Company primarily sells ADSL and mobile broadband services on a wholesale basis to our business partners or ISPs, factors such as changes in such partners' sales policies, consolidations and mergers among them, or worsening of their business performances, may have an adverse effect on the Company's business performance.

2. Relationship with distributors

   Changes in sales policies and scaling down of sales activities by companies in our distribution channel, such as large consumer electric appliance retailers, may result in changes such as decreases in sales activities for our services, and this may adversely affect increases in the number of our subscribers.

3. Relationship with NTT and other telecommunication carriers

   The Company leases spaces for our equipment in NTT's telephone central offices and utilizes NTT's dark fiber for network business. The Company also utilizes other carriers' telecommunications transmission services for mobile business. Thus, our services partially depend on NTT group and other carriers. As a result, for whatever reason, any changes in deregulation rules pertaining to NTT facilities or changes in contracts with other carriers that are disadvantageous to the Company may have adverse effects on our business performance.

H. Institutional Regulatory Environment and Legal Restrictions

Principal regulations for the Internet are based on Telecommunications Business Law, and accordingly, the Company filed its registration as a telecommunications carrier to the Ministry of Internal Affairs and Communications. In addition, EMOBILE Ltd. obtained approval for a mobile phone business license from the Ministry of Internal Affairs and Communications in November 2005. However, there is a possibility that, for whatever reason, the Ministry or other regulatory authorities may revoke our registration and license or impose administrative sanctions. In such a case, our potential for future growth in the mobile services business or other businesses may be restricted and our business could be adversely affected.

I. Natural Disasters

Even though the company takes various preemptive measures such as network redundancy for the security of our network and system infrastructure, as well as for stability of service operations, there is a possibility that natural disasters such as earthquakes, typhoons and floods may damage our network, and system infrastructure, leading to the outage of our services, depending on the scale of such disaster. Such a case may have adverse effects on our business performance

J. Handling of Personal Information

Since the Company handles and maintains personal information of our subscribers for business purposes, the Company employs various means for the appropriate handling and prudent management of such information. However, in the event of any material leakage of personal information caused by unauthorized access from outside or internal mismanagement of information, there may be lawsuits for compensation of damages or damage to the credibility of the Company, which may adversely affect our business performance.

K. Future Business Development

The company continually looks into the possibility of a business combination or merger and acquisition with a candidate that has the potential to contribute to our future growth by expanding sales growth in our current business, cost reduction, and the introduction of new services. However, in the case of such a business combination, merger or acquisition, there is a possibility that the business of the counterpart or acquired business may not progress as planned or as the Company expects, which may have adverse effects on our operating results and financial condition.

(1) Consolidated Balance Sheets

(As of March 31, 2010)

(¥ in millions)

	Prior Year End (As of March 31, 2010)
(ASSETS)	
Current assets	
Cash and cash equivalents	26,110
Accounts receivable-trade	10,880
Merchandise	106
Advanced payments	2,833
Deferred income tax assets	1,854
Other current assets	3,936
Allowance for bad debt	(10)
Total current assets	45,709
Fixed assets	
Tangible fixed assets	
Machinery and equipments	47,666
Accumulated depreciation	(37,432)
Machinery and equipments, net	10,234
Terminal equipments	8,936
Accumulated depreciation	(5,356)
Terminal equipments, net	3,580
Land	307
Construction in progress	1,171
Others	1,808
Accumulated depreciation and impairment loss	(1,163)
Others, net	645
Total tangible fixed assets	15,936
Intangible assets	
Software	2,419
Software in progress	196
Total intangible assets	2,614
Investments and other assets	
Securities investments	4,178
Affiliated company stocks	※1 ※2 5,582
Long-term accounts receivable-other from affiliate	9,271
Deferred income tax assets	1,514
Others	1,634
Total investments and other assets	22,180
Total fixed assets	40,730
Deferred assets	
Bond issuance cost	425
Total deferred assets	425
TOTAL ASSETS	86,864

Consolidated Balance Sheets (Continued)

(As of March 31, 2010)

(¥ in millions)

		Prior Year End (As of March 31, 2010)
(LIABILITIES)		
Current liabilities		
Accounts payables-trade		2,098
Current portion of Long-term debt	※3	2,854
Current maturities of bonds		1,848
Current portion of capital lease obligations		894
Current portion of installment payment obligations		1,726
Other accounts payable		3,089
Accrued expenses		5,988
Income tax payable		2,899
Provision for employee bonus		19
Provision for directors bonus		88
Other current liabilities		2,632
Total current liabilities		24,134
Long-term liabilities		
Bonds		26,126
Long-term debt	※3	19,075
Capital lease obligations, less current portion		889
Installment payment obligations, less current portion		1,640
Other long-term liabilities		1,844
Total long-term liabilities		49,575
TOTAL LIABILITIES		73,709
(NET ASSETS)		
Shareholders' equity		
Common stock		18,392
Capital surplus		9,082
Retained earnings		(14,862)
Total shareholders' equity		12,612
Valuation and translation adjustments		
Valuation adjustment on securities investments		8
Deferred hedge gain / (loss)		28
Total valuation and translation adjustments		36
Minority interests		507
TOTAL NET ASSETS		13,155
TOTAL LIABILITIES AND NET ASSETS		86,864

(2) Consolidated Statements of Operations

(For the years ended March 31, 2010 and 2011)

	(￥ in millions)	(￥ in millions)	($ in thousands)
	Prior Year (Twelve months ended March 31, 2010)	Current Year (Twelve months ended March 31, 2011)	
Revenue	83,067	181,541	2,193,584
Cost of revenue	49,052	※3 81,662	※3 986,733
Gross profit	34,015	99,879	1,206,851
Selling, general and administrative expenses			
Advertising expenses	28	306	3,697
Promotion expenses	5,261	57,409	693,681
Provision of allowance for doubtful accounts	-	2,207	26,667
Salaries and allowances	2,038	5,674	68,560
Provision for directors' bonuses	88	-	-
Rent expenses	639	1,380	16,675
Business consignment expenses	3,570	6,340	76,607
Depreciation	1,042	5,216	63,026
Depreciation of goodwill	-	718	8,676
Research and development expenses	※1 438	※1 372	※1 4,495
Others	1,761	5,291	63,932
Total Selling, general and administrative expenses	14,864	84,912	1,026,003
Operating profit	19,151	14,967	180,848
Non-operating income			
Interest income	99	31	375
Dividend income	2	2	24
Gain on disqualified dividend payable	19	13	157
Others	37	35	423
Total non-operating income	157	82	991
Non-operating expenses			
Interest expense	2,217	8,212	99,227
Commission expense	-	1,476	17,835
Amortization of bond issuance costs	41	7	85
Equity in net losses of affiliates	6,027	-	-
Others	196	265	3,202
Total non-operating expenses	8,481	9,961	120,360
Recurring profit	10,828	5,088	61,479
Non-recurring profit			
Gain on negative goodwill	467	-	-
Gain on redemption of bonds	238	-	-
Gain on sales of subsidiary's stock	-	13	157
Gain on bad debts recovered	-	19	230
Others	151	-	-
Total non-recurring profit	857	32	387
Non-recurring loss			
Loss on disposition of fixed assets	※2 682	※2 2,217	※2 26,788
Loss on write-down of securities investments	15	2,537	30,655
Write off of depreciation of long-term prepaid expense	-	2,552	30,836
Loss on disaster	-	120	1,450
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	83	1,003
Others	38	34	411
Total non-recurring loss	735	7,543	91,143
Income / (Loss) before income taxes	10,950	(2,423)	(29,277)
Income tax expense-current	5,002	35	423
Income / (Loss) tax expense-deferred	1,727	(17,023)	(205,691)
Total income taxes	6,729	(16,988)	(205,268)
Income before minority interests	4,220	14,565	175,991
Minority interests	72	-	-
Net income	4,148	14,565	175,991

(3) Consolidated Statements of Changes in Net Assets

(For the year ended March 31, 2010)

(¥ in millions)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2009	18,368	7,019	(15,427)	-	9,960
Change of items during the period					
Issuance of new stock, net	24	24			49
Cash dividends			(3,584)		(3,584)
Net income after tax			4,148		4,148
Increase by merger		2,193			2,193
Purchase of treasury stock				(154)	(154)
Retirement of treasury stock		(154)		154	-
Net changes of items other than shareholders' equity					-
Total changes of items during the period	24	2,063	564	-	2,652
Balance at March 31, 2010	18,392	9,082	(14,862)	-	12,612

	Valuation and translation adjustments			Minority interest	Total net assets
	Valuation difference on securities investments	Deferred hedge gain / (loss)	Total		
Balance at March 31, 2009	(7)	(356)	(363)	3,105	12,702
Change of items during the period					
Issuance of new stock, net					49
Cash dividends					(3,584)
Net income after tax					4,148
Increase by merger					2,193
Purchase of treasury stock					(154)
Retirement of treasury stock					-
Net changes of items other than shareholders' equity	15	384	399	(2,598)	(2,199)
Total changes of items during the period	15	384	399	(2,598)	453
Balance at March 31, 2010	8	28	36	507	13,155

(4) Consolidated Statements of Cash Flows

(For the years ended March 31, 2010 and 2011)

	(¥ in millions) Prior year (Twelve months ended March 31, 2010)	(¥ in millions) Current year (Twelve months ended March 31, 2011)	($ in thousands)
Cash flows from operating activities			
Income / (Loss) before income taxes and minority interests	10,950	(2,423)	(29,277)
Depreciation	7,499	33,126	400,266
Amortization of goodwill	-	718	8,676
Amortization of long-term prepaid expenses	-	2,552	30,836
Gain on negative goodwill	(467)	-	-
Loss on valuation of securities investments	15	2,537	30,655
Loss on sales of subsidiaries' stocks	-	(13)	(157)
Gain on redemption of bonds	(238)	-	-
Loss on disposition of fixed assets	682	2,217	26,788
Loss on adjustment for changes of accounting standard	-	83	1,003
for asset retirement obligations			-
Other loss	18	199	2,405
Increase (decrease) in allowance for bad debt	(27)	87	1,051
Increase (decrease) in provision for bonuses	(123)	-	-
Increase (decrease) in provision for directors' bonuses	88	-	-
Increase (decrease) in allowance for loss on disaster	-	77	930
Interest and dividend income	(102)	(33)	(399)
Interest expense	2,217	8,212	99,227
Commission expense	-	1,476	17,835
Equity in net losses of affiliates	6,027	-	-
Adjustments for unrealized profit with affiliate	(221)	-	-
Decrease (increase) in trade accounts receivable	(586)	(2,621)	(31,670)
Decrease (increase) in inventories	413	10,662	128,830
Decrease (increase) in accounts receivable-other	-	2,146	25,930
Decrease (increase) in accounts receivable-other from affiliates	(11,881)	6	72
Decrease (increase) in advance payments	898	361	4,362
Decrease (increase) in long-term prepaid expenses	105	492	5,945
Decrease (increase) in other assets	12	1,535	18,548
Increase (decrease) in trade accounts payable	(1,967)	402	4,857
Increase (decrease) in other accounts payable	1,609	(669)	(8,084)
Increase (decrease) in accrued expenses	1,016	799	9,654
Increase (decrease) in provision for retirement benefits	(73)	-	-
Increase (decrease) in other liabilities	4,112	693	8,374
Subtotal	19,975	62,619	756,634
Interest and dividend received	116	40	483
Interest paid	(1,638)	(8,118)	(98,091)
Payments of income taxes	(3,581)	(2,540)	(30,691)
Net cash provided by (used in) operating activities	14,872	52,002	628,347
Cash flows from investing activities			
Proceeds from time deposits at maturity	-	2,500	30,208
Placement into time deposits	-	(5,000)	(60,416)
Decrease (increase) in restricted deposit	-	(291)	(3,516)
Proceeds from sales of investments in subsidiaries	-	75	906
Purchase of investments in subsidiaries	(2)	-	-
Proceeds from share of profits on investments in capital	-	142	1,716
Purchase of tangible fixed assets	(3,408)	(27,006)	(326,317)
Proceeds from sales of property, plant and equipment	3	-	-
Purchase of intangible assets	(592)	(16,245)	(196,290)
Others	-	(23)	(278)
Net cash provided by (used in) investing activities	(3,999)	(45,848)	(553,987)

Consolidated Statements of Cash Flows (Continued)

(For the years ended March 31, 2010 and 2011)

	(¥ in millions) Prior year (Twelve months ended March 31, 2010)	(¥ in millions) Current year (Twelve months ended March 31, 2011)	($ in thousands) Current year (Twelve months ended March 31, 2011)
Cash flows from financing activities			
Repayments of capital lease obligations	(919)	(672)	(8,120)
Proceeds from sales and redemption by installment payment	350	9,465	114,367
Repayments of installment obligations	(1,538)	(12,924)	(156,162)
Proceeds from short-term debt	17,000	40,000	483,325
Repayments of short-term debt	(25,800)	(63,000)	(761,237)
Proceeds from long-term debt	12,387	169,669	2,050,133
Repayments of long-term debt	(1,000)	(202,009)	(2,440,901)
Payments for arrangement of interest bearing debt	-	(1,347)	(16,276)
Proceeds from issuance of bonds	16,445	688	8,313
Redemption of bonds	(66,486)	(1,453)	(17,557)
Purchase of treasury stock	(154)	(2,822)	(34,099)
Proceeds from stock issuance, net	48	-	-
Proceeds from stock issuance before share exchange	-	44,828	541,663
Proceeds from stock issuance after share exchange	-	126	1,522
Dividends paid	(3,581)	(4,199)	(50,737)
Dividends paid to minority shareholders	(56)	-	-
Net cash provided by (used in) financing activities	(53,303)	(23,651)	(285,778)
Net change in cash and cash equivalents	(42,430)	(17,497)	(211,419)
Cash and cash equivalents at the beginning of the period	68,541	26,110	315,491
Cash and cash equivalents of the acquired company at the beginning of the period	-	※2 (26,110)	※2 (315,491)
Cash and cash equivalents of the acquiring company at the beginning of the period	-	※2 49,311	※2 595,831
Net increase in cash and cash equivalents as a result of business combination via share exchange	-	※2 11,583	※2 139,959
Cash and cash equivalents at the end of the period	※1 26,110	※1 43,397	※1 524,372

(5) Notes on premise of going concern
No items to report

(6) Basis of preparation for consolidated financial statements

Item	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
1. Scope of consolidation	A. Number of consolidated subsidiaries: 2 Names of consolidated subsidiaries: CULTIVE Ltd. CV1 Investment Limited Partnership [Exclusion] ACCA Networks Co., Ltd. (ACCA) On June 25, 2009, the Company absorbed and merged ACCA, which was a consolidated subsidiary, and excluded ACCA from the scope of consolidation. Meanwhile, the Company consolidated the profit and loss of ACCA to June 24, 2009. B. ——	A. Number of consolidated subsidiaries: – [Exclusion] EMOBILE, Ltd. (EMOBILE) EMOBILE Ltd., to which the equity method was applied, became a subsidiary of the Company via share exchange effected by and between the Company and EMOBILE on July 1, 2010. The Company absorbed and merged EMOBILE as of March 31, 2011 and excluded it from the scope of consolidation. As a result, no consolidated subsidiaries continued to exist and the Company has not prepared consolidated balance sheets, consolidated statements of comprehensive income or consolidated statements of changes in net assets of the consolidated financial statements for the consolidated fiscal year. Meanwhile the Company consolidated the profit and loss of EMOBILE for the period from April 1, 2010 to March 30, 2011. B. Name of non-consolidated subsidiaries Non-consolidated subsidiaries CULTIVE Ltd. CV1 Investment Limited Partnership The Company excluded CULTIVE Ltd. and CV1 Investment Limited Partnership from the scope of consolidation in consideration of their size (total assets and retained earnings) and effects on the group results of operations (net sales and net income (loss) for the current year), and future profitability.
2. Application of the equity method	A. Number of affiliates accounted for by the equity method: 1 Names of affiliates accounted for by the equity method: EMOBILE, Ltd.	A. Number of affiliates accounted for by the equity method: – EMOBILE, Ltd., which was an equity method affiliate of the Company, became a wholly owned subsidiary of the Company in a share exchange on July 1, 2010. As a result, it is no longer accounted for by the equity method.

Item	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
	B. ―	B. Names of non-consolidated subsidiaries not accounted for by the equity method, etc: CULTIVE Ltd. CV1 Investment Limited Partnership The effect on the Company's net income and retained earnings of CULTIVE Ltd. and CV1 Investment Limited Partnership was immaterial and they lacked in materiality as a whole. So the Company excluded them from the scope of the application of the equity method.
3. Fiscal year-end of consolidated subsidiaries	As the fiscal years of CV1 Investment Limited Partnership, one of the consolidated subsidiaries, end on December 31, provisional financial statements closed on March 31 are used in the preparation of the consolidated financial statements.	―
4. Accounting policies (1) Valuation policy and methods of significant assets	A. Securities Available-for-sale securities a. Securities with fair market value Stated at fair value (valuation difference is treated using the direct net asset adjustment method, and cost of securities sold is determined by the moving-average method) based on fair value at the balance sheet date. b. Securities without fair market value Stated at cost using moving-average method. B. Derivatives Stated at fair market value. C. Inventories Merchandise, other (supplies) Stated at cost using moving-average method (devaluating book value method based on decreases in profitability).	A. Securities Available-for-sale securities a. Securities with fair market value Same as on the left b. Securities without fair market value Stated at cost using moving-average method. Additionally, with regard to contributions to investment business limited liability partnerships and similar partnerships (according to Article 2, Paragraph 2 of the Financial Instruments and Exchange Law, such contributions are regarded as negotiable securities), the Company mainly uses, as the book value, the net value of its holdings of partnership assets. B. Derivatives Same as on the left C. Inventories Same as on the left

Item	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
(2) Depreciation method and standards for significant depreciable assets	A. Tangible fixed assets Buildings (excluding leasehold improvements), machinery and equipments, and terminal equipments are depreciated with the straight-line method. Leasehold improvements and tools, furniture and fixtures are depreciated with the declining-balance method. The main estimated useful lives are as follows: Machinery and equipments 6 years Terminal equipments 3 years Others (Other buildings) 8 - 33 years Others (Tools, furniture and fixtures) 2 - 20 years For leased items recognized as assets and related construction costs for “machinery and equipments”, “terminal equipments” and “others (tools, furniture and fixtures),” (items related to finance lease transactions other than those in which the lessee is given rights approximating to ownership), the straight-line method is applied with the lease term as the useful life and the residual value set at zero. B. Intangible assets (Software) For software for internal use, the straight-line method is applied based on the software’s estimated useful life within the Company (3 - 5 years).	A. Tangible fixed assets Buildings (excluding leasehold improvements), structures, machinery and equipments, wireless telecommunications equipments and terminal equipments are depreciated with the straight-line method. Leasehold improvements and tools, furniture and fixtures are depreciated with the declining-balance method. The main estimated useful lives are as follows: Buildings 8 - 33 years Structures 30 years Machinery and equipments 6 years Wireless telecommunications equipments 9 years terminal equipments 3 years Tools, furniture and fixtures 2 - 20 years For leased items recognized as assets and related construction costs for “machinery and equipments”, “terminal equipments” and “others (tools, furniture and fixtures),” (items related to finance lease transactions other than those in which the lessee is given rights approximating to ownership), the declining-balance method is applied with the lease term as the useful life and the residual value set at zero. B. Intangible assets (Software) For software for internal use, the declining-balance method is applied based on the software’s estimated useful life within the Company (5 years). (Right of using facilities) Depreciated over 20 years using declining-balance method.
(3) Accounting for significant deferred assets	A. Issuance costs for stocks Stock issuance costs are charged to income as incurred. B. Issuance costs for bonds Bond issuance costs are amortized by the straight-line method over the years until the maturing dates.	A. Issuance costs for stocks Same as on the left B. Issuance costs for bonds Same as on the left
(4) Accounting for significant allowances and reserves	A. Allowance for doubtful accounts To prepare for uncollectible credits in accounts receivable, etc., the Company provides an allowance for general credits using actual bad debt ratio, and provides an allowance for an estimated unrecoverable amount of specific credits deemed to be uncollectible after considering possible losses on collection.	A. Allowance for doubtful accounts Same as on the left

Item	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
	B. Provision for directors’ bonuses The Company recognizes provision for directors’ bonuses for an amount to be paid subsequent to the fiscal year-end.	B. Provision for directors’ bonuses The Company recognizes provision for directors’ bonuses for an amount to be paid subsequent to the fiscal year-end. However, as the Company does not intend to pay directors’ bonuses in the current fiscal year, provision for directors’ bonuses is not recorded.
	C. Provision for bonuses The Company recognizes provision for employees’ bonuses for an amount to be paid subsequent to the fiscal year-end.	C. Provision for bonuses The Company recognizes provision for employees’ bonuses for an amount to be paid subsequent to the fiscal year-end.
	D. ――	D. Reserve for loss on disaster In preparation for the recovery of assets damaged by the Great East Japan Earthquake on March 11, 2011, the reserve was provided for the estimated amounts required for the recovery, which was mainly for asset removal expenses at the base stations damaged by the disaster.
(5) Method for significant hedge accounting	A. Method for hedge accounting Hedges are treated with deferred losses on hedges. Forward exchange contracts are translated at the foreign exchange rates stipulated in the contract if the forward exchange contract satisfies the requirements for this treatment.	A. Method for hedge accounting Same as on the left
	B. Hedging instruments and hedged items (Hedging instruments) Forward exchange contracts (Hedged items) Planned transactions denominated in foreign currencies	B. Hedging instruments and hedged items (Hedging instruments) Same as on the left (Hedged items) Same as on the left
	C. Hedging policy Forward exchange contracts are conducted as a measure against risks due to foreign exchange fluctuations.	C. Hedging policy Same as on the left
	D. Assessment of effectiveness of hedge The Company compares the accumulated changes in prices between hedged items and hedging instruments during the period from the commencement of hedge to the assessment of effectiveness of hedge and tests the effectiveness of hedge on the basis of their accumulated changes. When significant terms and conditions of hedging instruments and hedged items are identical and changes in prices and cash flows are expected to be offset in full at the commencement of hedge and continuously thereafter, the Company omits the assessment of the effectiveness of hedge. For any items which have not been qualified for hedge accounting as a result of the assessment of effectiveness of hedge, the Company discontinues the application of hedge accounting to them.	D. Assessment of effectiveness of hedge Same as on the left

Item	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
(6) Amortization method for goodwill and amortization period	Goodwill is equally amortized over 5 years. However, items which are not significant are amortized in bulk.	Goodwill is amortized over the period in which an effect can be estimated to occur (10 years) using the declining-balance method.
(7) Range of capital in statements of cash flow	Capital in statements of cash flow (cash and cash equivalents) consists of cash on hand, cash in banks which can be withdrawn as needed, and short-term investments with maturities of no more than three months that can be easily converted to cash with minimal risk of change in value.	Same as on the left
(8) Other significant matters forming the basis of preparation of consolidated financial statements	Accounting treatment of consumption taxes, etc. Items subject to consumption tax, etc. are recorded at amounts exclusive of consumption taxes, etc.	Accounting treatment of consumption taxes, etc. Same as on the left

(7) Changes in basis of preparation for consolidated financial statements
Change in accounting policies

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
(Adoption of Accounting Standard for Business Combination) As "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23, December 26, 2008), "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, December 26, 2008), "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, December 26, 2008), and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, December 26, 2008) could be applied for the first business combination and business divestitures conducted in the fiscal year beginning on or after April 1, 2009. The Company and its subsidiaries have adopted these accounting standards and others since the beginning of the fiscal year ended March 31, 2010.	(Adoption of Accounting Standard for Asset Retirement Obligations) Effective from the fiscal year ended March 31, 2011, the Company adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008). As a result of this change, Operating profit and Recurring profit decreased ¥26 million, respectively, and Net loss before taxes increased ¥109 million.

Changes in presentation

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
(Consolidated statements of operations) (1) The Company presents Income before minority interests on the consolidated statements of operations from the fiscal year ended March 31, 2011 because “Cabinet Office Ordinance of Partial Amendment to Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) became effective for fiscal years beginning on or after April 1, 2010 pursuant to “Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22). (2) Gain on disqualified dividends payable included in Others in Non-operating profit is presented individually because the amount has become significant for the current consolidated fiscal year. The amount of gain on disqualified dividends payable included in Others in Non-operating profit for the previous consolidated fiscal year amounted to ¥6 million.	(Consolidated statements of operations) As Commission expense, included in Others in Non-operating expenses for the previous consolidated fiscal year, exceeded one-tenth of the total amount of non-operating expenses, this item is presented individually from the current consolidated fiscal year. Commission expense included in Others for the previous consolidated fiscal year amounted to ¥115 million.
(Consolidated statements of cash flows) Decrease (increase) in accounts receivable-other from affiliates included Decrease (increase) in other assets in Cash flows from operating activities for the previous consolidated fiscal year is presented individually as the amount has become more significant for the current consolidated fiscal year. Decrease (increase) in accounts receivable-other from affiliates included in Decrease (increase) in other assets in Cash flows from operating activities for the previous consolidated fiscal year amounted to ¥177 million.	(Consolidated statements of cash flows) As Decrease (increase) in accounts receivable-other, included in Decrease (increase) in other assets in Cash flows from operating activities” for the previous consolidated fiscal year, has become more significant, this item is presented individually from the current consolidated fiscal year. Decrease (increase) in accounts receivable-other included in “Decrease (increase) in other assets in Cash flows from operating activities for the previous consolidated fiscal year amounted to ¥230 million.

(8) Notes to consolidated financial statements

Notes to consolidated balance sheets

As of March 31, 2010	As of March 31, 2011
*1. Items regarding affiliates of the Company are as follows. Affiliated company stocks ¥5,582 million *2. Assets pledged as collateral Assets pledged as collateral for commitment line of affiliates EMOBILE, Ltd. (EMOBILE) which was an affiliate of the Company established commitment lines of ¥220,000 million in total for the borrowing period up to 7 years with 34 banks to secure funds necessary for mobile businesses. The actual borrowed amount of EMOBILE as of the end of the consolidated fiscal year was ¥219,950 million. In addition to major assets (with the book value of ¥233,383 million as of March 31, 2010) of EMOBILE pledged as collateral, the shares of stock of EMOBILE held by the Company have also been pledged as collateral for the commitment line agreements. The period and book values of assets pledged as collateral as of the end of the consolidated fiscal year are as follows: (Period for pledging assets as collateral) Until the borrowings under the commitment line are repaid in full. (Collateralized assets) Shares of EMOBILE ¥5,582 million The book value of the shares recorded on the non-consolidated balance sheets of EMOBILE is ¥50,016 million. Certain financial covenants and operating covenants have been provided for the commitment line. As of March 31, 2010, the Company did not breach any of the provisions of the financial covenants or operating covenants. *3. State of borrowings under the commitment line The Company established commitment lines of ¥12,000 million in total for a borrowing period of up to 4 years and 10 months with two banks and a commitment line of ¥24,465 million for a borrowing period up to 8 years and 6 months with one bank, in order to secure funds necessary for working capital and capital investments. The actual amounts borrowed as of the end of the consolidated fiscal year were ¥9,000 million and ¥12,930 million, respectively. Financial covenants have been provided for these commitment lines. In addition, the Company entered into an overdraft agreement of ¥1,000 million in total with one bank in order to secure working capital. The Company did not make any actual borrowing under the overdraft agreement as of the end of the consolidated fiscal year.	As the Company has not prepared consolidated balance sheets for the current consolidated fiscal year, this is presented as notes to the non-consolidated financial statements.

Notes to consolidated statements of operations

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
*1. Research and development expenses included in selling, general and administrative expenses are as follows. ¥438 million *2. The details of loss on disposition of fixed assets are as follows. (¥ in millions) Tangible assets Machinery and equipments 66 Terminal equipments 338 Others (tools, furniture and fixtures) 63 Others (buildings) 59 Intangible assets Software 138 Software in progress 16 Others 3 Total 682 3. ―	*1. Research and development expenses included in selling, general and administrative expenses are as follows. ¥372 million *2. The details of loss on disposition of fixed assets are as follows. (¥ in millions) Tangible assets Buildings 2 Structures 2 Machinery and equipments 2 Wireless telecommunications equipments 306 Terminal equipment 123 Tools furniture and fixtures 40 Construction in progress 261 Intangible assets Software 1,482 Total 2,217 *3. The devaluation of book values of inventories held for the sales in the normal course of business due to the decrease in profitability is as follows: Cost of sales ¥9,199 million

Notes to consolidated statements of changes in net assets

Fiscal year ended March 31, 2010

1. Number of issued shares

Class of shares	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock (shares)	1,417,994	31,457	1,955	1,447,496
Class 1 preferred stock (shares)	25	–	–	25

(Note) The increase of 31,457 shares in the number of common stocks reflects the increase of 2,025 shares through the exercise of stock options and the increase of 29,432 shares due to the issuance of new shares of ACCA in its merger. The decrease of 1,955 shares in the number of common stocks is due to the retirement of shares of treasury stock.

2. Stock acquisition rights

Company name	Breakdown	Class of shares subject to stock acquisition rights	Number of shares targeted (shares)				Balance at March 31, 2010 (¥ in millions)
			As of March 31, 2009	Increase	Decrease	As of March 31, 2010	
Filing company (Parent company)	(Stock acquisition rights) Stock options	–	–	–	–	–	–
Total			–	–	–	–	–

(Note) There is no outstanding balance as they were issued before the Corporation Act took effect.

3. Treasury stock

Class of shares	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock (shares)	–	1,955	1,955	–

(Note) The increase of 1,995 shares in the number of shares of treasury stock is due to the purchase of fractional shares less than the number of shares constituting one stock in the merger of ACCA Networks. The decrease of 1,955 shares in the number of shares of treasury stock is due to the retirement of fractional shares less than one stock.

4. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amounts of dividends	Dividend per share	Record date	Effective date
May 14, 2009 Board meeting	Common stock	¥815 million	¥575	March 31, 2009	June 25, 2009
May 14, 2009 Board meeting	Class 1 preferred stock	¥37 million	¥1,498,438	March 31, 2009	June 25, 2009
August 7, 2009 Board meeting	Common stock	¥868 million	¥600	June 30, 2009	September 10, 2009
August 7, 2009 Board meeting	Class 1 preferred stock	¥42 million	¥1,693,438	June 30, 2009	September 10, 2009
November 12, 2009 Board meeting	Common stock	¥868 million	¥600	September 30, 2009	December 10, 2009
November 12, 2009 Board meeting	Class 1 preferred stock	¥42 million	¥1,693,438	September 30, 2009	December 10, 2009
February 9, 2010 Board meeting	Common stock	¥868 million	¥600	December 31, 2009	March 31, 2010
February 9, 2010 Board meeting	Class 1 preferred stock	¥42 million	¥1,693,438	December 31, 2009	March 31, 2010

(Note) Dividend amounts less than ¥1 are rounded off

(2) Dividends whose record date falls in the current fiscal year and have an effective date in the next fiscal year

Resolution	Class of shares	Source of dividends	Total amounts of dividends	Dividend per share	Record date	Effective date
May 12, 2010 Board meeting	Common stock	Retained earnings	¥868 million	¥600	March 31, 2010	June 25, 2010
May 12, 2010 Board meeting	Class 1 preferred stock	Retained earnings	¥42 million	¥1,693,438	March 31, 2010	June 25, 2010

(Note) Dividend amounts less than ¥1 are rounded off

5. Other matters

Main reasons for changes in minority interests for the consolidated fiscal year are the decrease of ¥2,664 million due to the merger with the consolidated subsidiary.

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

As the Company has not prepared the consolidated statements of changes in net assets for the current consolidated fiscal year, the Company included the description in the notes to non-consolidated financial statements.

Notes to consolidated statements of cash flows

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
*1. Reconciliation of cash and cash equivalents at the end of the period and the amount recorded in consolidated balance sheets The balance of Cash and cash equivalents at the end of the period and the figure for Cash and cash equivalents presented in the consolidated balance sheets are in accordance with each other.	*1. Reconciliation of cash and cash equivalents at the end of the period and the amount recorded in consolidated balance sheets (¥ in millions) Cash and cash equivalents 47,080 Time deposits with maturities exceeding three months (2,500) Restricted deposit (1,183) Cash and cash equivalents 43,397
2. ──	*2. Matters concerning business combination (reverse acquisition) Since the share exchange with EMOBILE Ltd. falls under a reverse acquisition for the purpose of accounting for business combinations, the balances of Cash and cash equivalents at the beginning of the period refer to the balances of EMOBILE (acquiring company) at the beginning of the period. Thus, the balances of Cash and cash equivalents at the end of the previous consolidated fiscal year were not consistent with the balances of Cash and cash equivalents at the beginning of the current consolidated fiscal year. (1) The Company included the balances of Cash and cash equivalents of the Company at the end of the previous consolidated fiscal year (on a consolidated basis) in Cash and cash equivalents of the acquired company at the beginning of the period. (2) The Company included the balances of EMOBILE at the end of the previous consolidated fiscal year in Cash and cash equivalents of the acquiring company at the beginning of the period. (3) The Company included the balances of cash and cash equivalents of the Company, the acquired company, at the end of the first quarter accounting period in Net increase in cash and cash equivalents as a result of business combination via share exchange.

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
3. –––	*3. Contents of significant non-monetary transactions As a result of share exchange to make EMOBILE an acquiring company and make the Company an acquired company, the Company took over the assets and liabilities of the Company after their valuation at fair value. The major breakdown of assets and liabilities taken over is as follows. (¥ in millions) Current assets 28,128 Fixed assets 124,277 Total assets 152,405 Current liabilities 26,156 Long-term liabilities 47,838 Total liabilities 73,994 As tentative accounting treatment was finalized, the amount of current liabilities assumed at the date of the business combination has been revised to the above amount. (Note) The amount of the above fixed assets include the value of shares of ¥89,435 million of the acquiring company which was held by the acquired company before the business combination date.

Segment information

a. Information by business segment

Fiscal year ended March 31, 2010

(¥ in millions)

	Network Business	Device Business	Mobile Business	Total	Eliminations/ Corporate	Consolidation
I. Net revenue and operating profit (loss)						
(1) Outside net revenue	71,018	12,049	–	83,067	–	83,067
(2) Intersegment net revenue	–	121	–	121	(121)	–
Total	71,018	12,170	–	83,188	(121)	83,067
Operating expenses	52,698	11,339	–	64,037	(121)	63,916
Operating profit	18,320	831	–	19,151	–	19,151
II. Identifiable assets, depreciation and amortization, impairment losses and capital expenditures			–			
Identifiable assets	30,844	16,195	–	47,039	39,825	86,864
Depreciation and amortization	7,126	43	–	7,169	194	7,363
Capital expenditures	3,858	60	–	3,918	99	4,017

(Notes) 1. Method of classifying business segment
Business segments are classified after considering similarities in types of services, nature of business operations and sales market, as well as sales method.

2. Business category and principal services/operations of each segment

Business category	Principal services/operations
Network Business	Fast internet access services, ISP services and backbone service
Device Business	Development and sale of devices
Mobile Business	Mobile broadband services

3. Of the assets, the corporate assets included in the elimination or corporate items amounted to ¥39,825 million, and major items represent current assets (cash and bank deposits), long-term investment funds (investment securities), shares of affiliates and assets related to the administration department of the Company.

4. The operating results of ACCA, from April 1, 2009 to June 24, 2009, which was a consolidated company before its merger on June 25, 2009, were included in "Network Business".

5. Net revenue and operating loss of EMOBILE were not included in "Mobile Business" after EMOBILE became an affiliated company from a consolidated subsidiary on May 31, 2007.

b. Information by geographic segment
Fiscal year ended March 31, 2010
Information by geographic area is not shown since the Company does not have any subsidiaries or material branches which are located outside of Japan.

c. Overseas sales
Fiscal year ended March 31, 2010
Information of overseas net revenue is not shown since overseas net revenue was less than ten percent of consolidated net revenue.

d. Segment information
Fiscal year ended March 31, 2011

1. Outline of reporting segment
The reporting segment of the eAccess Group refers to units of the Group for which separate financial information is available and for which the board of directors periodically considers decisions on the allocation of management resources and the measurement of operating results.
The eAccess Group deems three businesses as its reporting segments: “Mobile Business”, “Network Business” and “Device Business”.
The Mobile Business provides mobile broadband communication services operated by EMOBILE, the consolidated subsidiary of the Company. The Network Business provides fast Internet access services, ISP services, and transmission services. The Device Business is engaged in the development and sale of communication terminals.
As noted in “1. Operating Results (1) Analysis of operating results”, the business combination via share exchange falls under a reverse acquisition where EMOBILE is deemed to have acquired the Company. Therefore, the consolidated statements of operations for this consolidated fiscal year present the amount calculated by consolidating the results of operations of the Company for 9 months (from July 1, 2010 to March 31, 2011) with the results of operations of EMOBILE for the period from April 1, 2010 to March 30, 2011. Accordingly, for the consolidated fiscal year, the results of the Network Business and the Device Business operated by the Company represent the results of operations for 9 months (from July 1, 2010 to March 31, 2011).

2. Calculation of sales, profit or loss, assets, liabilities and amounts of other items for each reporting segment
Accounting treatment for the reported business segments are almost identical to that described in “Basis of preparation for consolidated financial statements”.
The income for a reporting segment is based on the operating profit.
Intersegment internal revenue and transfer amounts are based on the prevailing market prices.

3. Information about net sales, profit (loss), assets and other items by reportable segment

Fiscal year ended March 31, 2010

(¥ in millions)

	Reportable segment			Total	Adjustment (Note 1)	Amount on consolidated financial statements
	Mobile Business	Network Business	Device Business			
Net sales						
Outside net revenue	–	71,018	12,049	83,067	–	83,067
Intersegment net revenue	–	–	121	121	(121)	–
Total	–	71,018	12,170	83,188	(121)	83,067
Segment profit (loss)	(6,027)	18,320	831	13,124	6,027	19,151
Segment assets	5,582	30,844	16,195	52,622	34,242	86,864
Other items						
Depreciation and amortization	–	7,126	43	7,169	194	7,363
Increase in tangible fixed assets and intangible assets	–	3,858	60	3,918	99	4,017

Fiscal year ended March 31, 2011

(¥ in millions)

	Reportable segment			Total	Adjustment (Note 1)	Amount on consolidated financial statements
	Mobile Business	Network Business	Device Business			
Net sales						
Outside net revenue	140,620	40,921	–	181,541	–	181,541
Intersegment net revenue	2,016	3,883	7,022	12,921	(12,921)	–
Total	142,637	44,804	7,022	194,463	(12,921)	181,541
Segment profit (loss)	2,633	12,844	117	15,594	(627)	14,967
Segment assets (*)	253,226	18,808	96	272,130	80,822	352,952
Other items						
Depreciation and amortization	28,232	4,915	31	33,179	(69)	33,111
Amortization of goodwill	–	–	–	–	718	718
Increase in tangible fixed assets and intangible assets	40,307	1,470	1	41,778	(933)	40,845

(Notes) 1. The followings are amounts included in and main details of "Adjustment"

Segment profit (loss) (¥ in millions)

	Prior year	Current year
Inter-segment eliminations	–	92
Amortization of goodwill	–	(718)
Investment loss on equity method included in segment profit	6,027	–
Total	6,027	(627)

Segment assets (¥ in millions)

	Prior year	Current year
Corporate assets (Note)	34,242	80,822
Total	34,242	80,822

(*) The Company has not prepared the consolidated balance sheets for the consolidated fiscal year. For segment assets, therefore, the described amounts are based on the amounts on the non-consolidated balance sheets for reference.

(Note) Corporate assets mainly consist of current assets (cash and cash equivalents), deferred tax assets, long-term investment funds (investment securities) and assets related to administration department, which are not attributable to any reporting segment.

Adjusted depreciation expenses of ¥69 million represent the elimination of ¥198 million of intersegment transactions and corporate expenses of ¥130 million. The adjusted amortization of goodwill in the amount of ¥718 million represents the amortized amount of goodwill arising from the operation integration between the Company and EMOBILE.

Adjusted amounts of ¥(933) million of the increase in the tangible fixed assets and intangible fixed assets represent the corporate assets of ¥76 million such as head office building not attributable to any reporting segment, and intersegment elimination of ¥(1,009) million.

e. Related information

Fiscal year ended March 31, 2011

1. Information by product and service

Information by product and service is not shown since similar information is disclosed in the segment information.

2. Information by region

(1) Net sales

Information on net sales by region is not shown since the net sales to external customers in Japan as a percentage of the sales in the consolidated statements of operations exceed 90%.

(2) Tangible fixed assets

Since the Company absorbed and merged EMOBILE, which was a consolidated subsidiary, on March 31, 2011, it has not prepared consolidated balance sheets for the end of the consolidated fiscal year as there was no consolidated subsidiary at the end of this consolidated fiscal year.

Meanwhile, the amounts of tangible fixed assets located in Japan included in the non-consolidated financial statements after the merger exceeds 90% of the amount of tangible fixed assets on the non-consolidated balance sheets.

3. Information by major customer

(¥ in millions)

Name of customer or individual	Revenue	Related business segment
SOFTBANK MOBILE Corp.	27,833	Mobile Business, Network Business

f. Impairment losses on tangible fixed assets for each reportable segment
Fiscal year ended March 31, 2011
No items to report

g. Amortization of goodwill for each reporting segment and information related to unamortized balances
Fiscal year ended March 31, 2011
The Company and EMOBILE implemented share exchange which took effect on July 1, 2010. The goodwill of ¥9,579 million arose as a result of application of reserve acquisition accounting treatment. Since it was impracticable to allocate the goodwill to reporting segments, the amortized goodwill was charged to corporate expenses.
Meanwhile, the Company effected absorption-type merger turning EMOBILE into the dissolving company by merger, which took effect on March 31, 2011. Therefore there was no consolidated subsidiary at the end of this consolidated fiscal year and the Company did not prepare any consolidated balance sheets.

h. Gains on negative goodwill for each reportable segment
Fiscal year ended March 31, 2011
No items to report

(Additional Information)
Effective from the current year, the Company adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

(Tax effect accounting)

Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
1. Major breakdown of deferred tax assets and liabilities (¥ in millions) (Deferred tax assets) Accrued business taxes 231 Accrued expenses 595 Unearned revenue 665 Elimination of intercompany profits on consolidation 176 Loss on disposition of fixed assets 77 Depreciation and amortization 1,392 Impairment losses 50 Others 187 Total gross deferred tax assets 3,372 Valuation allowance (3) Total net deferred tax assets 3,369	1. Major breakdown of deferred tax assets and liabilities As the Company has not prepared consolidated balance sheets for the current consolidated fiscal year, this is presented as notes to the non-consolidated financial statements.
2. Major breakdown of the cause of differences between the statutory tax rate and the Company's effective tax rate after applying tax effect accounting Statutory tax rate 40.7% (Adjustments) Equity in net losses of affiliates 22.4% Gain from negative goodwill (1.7)% Others, net 0.1% Effective tax rate after applying tax effect accounting 61.5%	2. Major breakdown of the cause of differences between the statutory tax rate and the Company's effective tax rate after applying tax effect accounting Statutory tax rate 40.7% (Adjustments) Valuation allowances 676.3% Gains on negative goodwill (12.1)% Permanent non-deductible expenses such as entertainment expenses (1.8)% Others (2.0)% Effective tax rate after applying tax effect accounting 701.1%

(Securities)

As of March 31, 2010

1. Available-for-sale securities

(¥ in millions)

Classification	Type	Amount on consolidated balance sheets	Acquisition cost	Difference
Items where value recorded on consolidated balance sheets exceeds acquisition cost	stocks	74	46	28
Subtotal		74	46	28
Total		74	46	28

(Note) Stocks of affiliates (¥5,582 million recorded on the consolidated balance sheets) and unlisted stocks (¥4,103 million recorded on the consolidated balance sheets) had no market prices and they were deemed extremely difficult to determine fair values. As a result, they were not included in "Available-for-sale securities" in the above table.

2. Available-for-sale securities sold during the fiscal year ended March .31, 2010

No items to report

As of March 31, 2011

As the Company has not prepared consolidated balance sheets for the current consolidated fiscal year, this is presented as notes to the non-consolidated financial statements.

(Business Combination)
Fiscal year ended March 31, 2010

(Business combination under common control)
(1) Outline of Business combination
(a) Name of combined party and description of business
ACCA Networks Co., Ltd. Telecommunication business
(b) Business combination date
June 25, 2009
(c) Legal structure of the business combination
This was a merger with the Company as the surviving company and ACCA as the dissolving company.
(d) Name of the company after the business combination
eAccess Ltd.
(e) Purpose of the transaction
The purpose of the merger was to maximize the enterprise value by growth of profitability through strengthening of sales and reduction of cost under our direct management.

(2) Summary of Accounting applied
The Company adopted the accounting for business combinations under common control based on "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, December 26, 2008).

(3) Acquisition cost and the details of Combining Entity

	(¥ in millions)
Book value of ACCA on consolidated financial statement before merger on business combination date	21,354
Fair value of the common stock of the Company issued on business combination date	2,193
Acquisition cost	23,547

(4) General information regarding share exchange
(a) Type of share and exchange ratio
Company common stock of ACCA 1 share : Common stock of the Company 1.54 shares
(b) Procedure of calculation of the exchange ratio
The Company appointed Nikko Cordial Securities Inc. and ACCA appointed Lazard Frees K. K. as their respective independent advisors and requested calculation of the exchange ratio, respectively. The Company and ACCA determined the exchange ratio taking each advisor's result into consideration.
(c) Number of issued shares and its amount
Number of issued shares 29,432 shares
Amount ¥2,193 million

(5) Gain from Negative Goodwill
(a) Amount ¥467 million
(b) Background
The difference between the fair value of the Company's issued shares upon the business combination and decrease in minority interests generates gain from negative goodwill.

(Share Exchange Agreement with equity-method affiliate)
The Company resolved at the board meeting held on March 31, 2010, to implement a business combination (the "Business Combination") with EMOBILE by way of share exchange (the "Share Exchange") and entered into a share exchange agreement (the "Share Exchange Agreement"). EMOBILE will be wholly owned subsidiary of the Company, through the share exchange.
For the details of this Share Exchange Agreement, please refer to the press release titled "eAccess and EMOBILE Announce Making EMOBILE a Wholly Owned Subsidiary by Share Exchange" dated March 31, 2010.

(1) Purpose of Share Exchange
The Company and EMOBILE have determined that in order to accelerate promotion of the two companies' corporate value, it is necessary to streamline and expedite the eAccess group's management decisions by centralizing decision making of the Company and EMOBILE in order to proactively and promptly deal with the change of environment, and to make efficient investment as a group possible by using the profits generated by two companies as financial resources. For this purpose, the Company and EMOBILE has come to a belief that the best course of action is to implement the business combination.

(2) Profile of Company Involved in Share Exchange
(a) Company Name
EMOBILE Ltd.
(b) Description of Business
Mobile broadband telecommunication business

(3) Method of Share Exchange
Business combination will be implemented by way of share exchange through which the Company will become a wholly-owning parent company, and EMOBILE will become a wholly-owned subsidiary.

Details of Allocation in Relation to Share Exchange
Share exchange ratio

The Company	EMOBILE
1	1.45

(Notes) 1. Share Exchange Ratio
The Company shall allocate and deliver 1.45 shares of common stock in the Company in exchange for one share of common stock or each type of preferred stock in EMOBILE; provided, however, that the Company shall not allocate any shares in exchange for the shares in EMOBILE which will be held by the Company or repurchased by EMOBILE upon exercise of appraisal rights by any shareholders of EMOBILE. As of March 31, 2010, the Company holds 606,300 shares of common stock, 214,110 shares of Series A preferred stock and 41,175 shares of Series A-2 preferred stock of EMOBILE.

2. Number of new shares in the Company to be issued upon the Share Exchange
Common Stock: 1,686,872 shares
Upon the Share Exchange, the Company will deliver and allot to the shareholders of EMOBILE (excluding the Company itself) recorded on the shareholders register as of the point of time immediately before the Company shall acquire, upon the Share Exchange, all the outstanding EMOBILE shares (the "Record Time"), 1.45 shares of the common stock of the Company in exchange for one share of all classes of EMOBILE stocks held by such shareholders. Provided, however, that if any shareholders of EMOBILE exercise appraisal rights in accordance with Article 785 of the Companies Act of Japan, the shares for which the appraisal rights are exercised shall be deemed to be registered as held by EMOBILE instead of the shareholders having exercised the appraisal rights.
The board of directors of EMOBILE resolved at the meeting held on March 30, 2010 to approve the Share Exchange. In addition, the board of directors of EMOBILE also resolved at the same meeting that (i) EMOBILE will implement the capital increase by the way of third party allotment of EMOBILE new shares (common stock only) offered in the total paid-in amount of ¥30,000 million (including ¥12,000 million for new shares to be allotted to the Company) at the price determined within the range of ¥100,000 to ¥140,000, prior to the effective date of the Share Exchange, and (ii) EMOBILE shall cancel effective as of the Record Time all of its treasury stock (if any) which it will hold at the Record Time (including the shares which EMOBILE would acquire upon the exercise of appraisal rights by the shareholders of EMOBILE pursuant to Article 785 of the Companies Act). Consequently, upon the Share Exchange, the common stock in EMOBILE to be issued by the Third Party Allotment above (excluding the shares to be acquired by the Company) shall be exchanged while the treasury stock to be canceled shall not be exchanged. The actual number of shares delivered by the way of the Share Exchange will be subject to change due to the state of acquisition and cancellation of shares of treasury stock by EMOBILE

3. Less than one share
If the number of common stock in the Company to be delivered by the Company to shareholders of EMOBILE upon the Share Exchange is less than one share, cash settlement will be made in accordance with Article 234 of the Companies Act and any other relevant laws and regulations

(4) Grounds for calculation of shares to be allotted upon Share Exchange
Basis to Calculation
The Company formed the Independent Committee consisting solely of its independent directors, to procure the fair procedures of the Business Combination. In order to ensure the fairness of the share exchange ratio of the Business Combination, the Independent Committee selected Greenhill & Co. Japan Ltd. ("Greenhill Japan") as financial advisor to calculate the share exchange ratio, and has obtained from Greenhill Japan an

opinion dated March 31, 2010 to the effect that, based on the following assumptions and certain other conditions, the agreed share exchange ratio is fair, from a financial perspective, to the Company.

EMOBILE selected Deutsche Securities Inc. (Deutsche Securities) as financial adviser for this business combination, engaged Deutsche Securities to calculate the share exchange ratio and has obtained from Deutsche Securities an opinion dated March 30, 2010 to the effect that, based on the following assumptions and certain other conditions, the agreed share exchange ratio is fair, from a financial perspective, for the shareholders of EMOBILE.

Greenhill Japan assessed the fairness of the share exchange ratio using both: (i) a methodology that compares the implied value per share of the Company and that of EMOBILE in the event the existing capital relationship between the Company and EMOBILE continues ("Standalone Methodology"), and (ii) a methodology that assesses the fairness of the share exchange ratio based on the implied value per share comparing the value per share of the Company before the Business Combination, and the value per share of the Company after the Business Combination, taking into account the benefits and cost efficiencies which should result from the Business Combination ("Synergies"), and assessed the increase or decrease in the implied value per share ("Value Creation Methodology"). In each methodology, Greenhill Japan performed an analysis using, among other methodologies, a discount cash flow methodology ("DCF methodology") and comparable companies methodology.

In view of the fact that EMOBILE is an unlisted company and, accordingly, a valuation relative to the Company in the market is difficult, and calculation of the extent to which the EMOBILE equity which the Company holds has an impact on the Company's share price is impossible, we use the market price methodology as a benchmark for the Company's implied share value but did not use it in calculating the ratio.

(5) Treatments of Stock Acquisition Rights Following the Share Exchange

The Company will deliver to each holder of outstanding stock acquisition rights (stock options) of EMOBILE (the "EMOBILE Stock Options") recorded on the register of holders of share acquisition rights of the company (excluding EMOBILE) as of the Record Time, in exchange for those EMOBILE Stock Options, the stock acquisition rights of the Company the terms and conditions of which are comparable to the EMOBILE Stock Options and reflect the share exchange ratio; provided, however, that if any holder of EMOBILE Stock Options exercises appraisal rights in accordance with Article 787, Paragraph 1, Item 3 of the Companies Act, EMOBILE shall be deemed to be registered as a holder of the relevant EMOBILE Stock Options instead of such holder exercising such appraisal rights.

EMOBILE has not issued any bond with stock acquisition rights.

(6) Conditions precedent of Share Exchange

In the Share Exchange Agreement and Partial Amendment of the Share Exchange Agreement with EMOBILE which are resolved at the meeting of board of directors of the Company held on March 31, 2010, the conditions precedent to the Share Exchange are that the paid-in amount per share for the new shares offered (common stock only) shall be fixed within the range of ¥100,000 to ¥140,000, the total paid-in amount shall be ¥30,000 million and all the payments in the third party allotment made subsequent to the execution of this agreement shall be completed and that EMOBILE shall allot the new shares in the value of ¥12,000 million to the Company.

(7) Schedule of Share Exchange

(a) Date of Conclusion of Memorandum of Understanding	December 7, 2009
(b) Date of Resolution by Board of Directors (EMOBILE)	March 30, 2010
(c) Date of Resolution by Board of Directors (The Company)	March 31, 2010
(d) Date of Conclusion of Share Exchange Agreement	March 31, 2010
(e) Date of Annual Shareholders' Meeting to Approve the Share Exchange (The Company)	Late June, 2010 (tentative)
(f) Date of Annual Shareholders' Meeting and Class Meeting of Shareholders of Each Class of Preferred Shares to Approve the Share Exchange (EMOBILE)	Late June, 2010 (tentative)
(g) Issuance of Shares by way of Third-Party Allotment (EMOBILE)	Late June, 2010 (tentative)
(h) Effective Date of Share Exchange	July 1, 2010 (tentative)

(8) Name, Description of Business, Location, Name and Title of Representative, Amount of Capital of Wholly-Owning Parent Company after Share Exchange (As of March 31, 2010)

(a) Name	eAccess Ltd.
(b) Description of Business	Telecommunication business
(c) Location	Shin-Nikko Bldg., 10-1, Tranomon 2-Chome, Minatoku, Tokyo
(d) Name and Title of Representative	Koji Fukata, Representative Director and President
(e) Amount of Capital	¥18,392 million

Fiscal year ended March 31, 2011

(Business combination by acquisition)

The Company resolved at the board meeting held on March 31, 2010, to implement a business combination (the "Business Combination") with EMOBILE by way of share exchange (the "Share Exchange") and entered into a share exchange agreement (the "Share Exchange Agreement") (A memorandum of understanding related to amendments to the Share Exchange Agreement was executed on May 12, 2010). The Share Exchange Agreement was approved at the annual shareholders' meeting of the Company on June 24, 2010 and the annual shareholders' meeting and class meeting of shareholders of each class of preferred shares of EMOBILE on June 25, 2010. The Share Exchange was executed in July 1, 2010.

1. Name of the acquired company and the description of business, purpose of the Business Combination, date of Business Combination, method of Business Combination, company name after the Business Combination, percentage of voting rights acquired and basis of determining acquiring company

(1) Name of the acquired company and the description of business

Company Name: eAccess Ltd.

Description of Business: Telecommunication business

Business combination was completed by way of share exchange through which the Company to become a wholly-owning parent company, and EMOBILE to become a wholly-owned subsidiary. For this transaction, reverse acquisition accounting treatment has been applied as stated in the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008). Therefore, the purchase method was applied in the consolidated financial statements, in which EMOBILE was treated as the acquiring company and the Company was treated as the acquired company.

(2) Purpose of the Business Combination

The Company and EMOBILE have determined that in order to accelerate promotion of the two companies' corporate value, it is necessary to streamline and expedite the eAccess group's management decisions by centralizing decision making of the Company and EMOBILE in order to proactively and promptly deal with the change of environment, and to make efficient investment as a group possible by using the profits generated by two companies as financial resources. For this purpose, the Company and EMOBILE has come to a belief that the best course of action is to implement the business combination.

(3) Date of Business Combination

July 1, 2010

(4) Method of Business Combination

Business combination was completed by way of share exchange through which the Company becomes a wholly-owning parent company, and EMOBILE becomes a wholly-owned subsidiary.

(5) Company name after the Business Combination

No change in the company name after the Share Exchange

(6) Percentage of voting rights acquired

100%

(7) Basis of determining the acquiring company

EMOBILE has been determined as the acquiring company taking into account the voting rights ratio of the shareholders of the Company and EMOBILE after the Share Exchange, comparable size of the business of each entity, such as total assets and revenue, and importance of and the potential growth of the business.

2. Period of the acquired company's results of operations included in the consolidated financial statements

From July 1, 2010 to March 31, 2011

3. Detail of the acquisition costs of the acquired company

	(¥ in millions)
Acquisition value	87,990
Acquisition costs	87,990

Since reverse acquisition accounting treatment was applied, the accounting treatment in the consolidated financial statements is based on EMOBILE acquiring 100% of voting rights of the Company. Also, since EMOBILE is a private company and the Company is a public company, the acquisition value was calculated based on the market value of the Company stock.

4. Share exchange ratio by each class of shares and its calculation method and number of new shares in the Company issued upon the Share Exchange

(1) Class of shares and the exchange ratio

The Company allocated 1.45 shares of common stock in the Company in exchange for one share of common stock or each type of preferred stock in EMOBILE.

(2) Grounds for calculation of shares to be allotted upon Share Exchange

The Company formed the Independent Committee consisting solely of its independent directors, to procure the fair procedures of the Business Combination. In order to ensure the fairness of the share exchange ratio of the Business Combination, the Independent Committee selected Greenhill & Co. Japan Ltd. ("Greenhill Japan") as financial advisor to calculate the share exchange ratio, and has obtained from Greenhill Japan an opinion dated May 22, 2010 (the "Greenhill Opinion") to the effect that, based on the following assumptions and certain other conditions, the agreed share exchange ratio is fair, from a financial perspective, to the Company.

Greenhill Japan assessed the fairness of the share exchange ratio using both: (i) a methodology that compares the implied value per share of the Company and that of EMOBILE in the event the existing capital relationship between the Company and EMOBILE continues ("Standalone Methodology"), and (ii) a methodology that assesses the fairness of the share exchange ratio based on the implied value per share comparing the value per share of the Company before the Business Combination, and the value per share of the Company after the Business Combination, taking into account the benefits and cost efficiencies which should result from the Business Combination ("Synergies"), and assessed the increase or decrease in the implied value per share ("Value Creation Methodology"). In each methodology, Greenhill Japan performed an analysis using, among other methodologies, a discount cash flow methodology ("DCF methodology") and comparable companies methodology.

In view of the fact that EMOBILE is an unlisted company and, accordingly, a valuation relative to the Company in the market is difficult, and calculation of the extent to which the EMOBILE equity which the Company holds has an impact on the Company's share price is impossible, we use the market price methodology as a benchmark for the Company's implied share value but did not use it in calculating the ratio.

(3) Number of shares issued upon the Share Exchange

999,713 shares

Note: Number of shares represents the shares as if EMOBILE to issue new shares upon the Share Exchange based on the calculation of the acquisition value. The actual number of new shares in the Company issued upon the Share Exchange was 2,055,963 shares (all newly issued).

(4) Treatments of Stock Acquisition Rights following the Share Exchange

The Company delivered to each holder of outstanding stock acquisition rights (stock options) of EMOBILE (the"EMOBILE Stock Options") recorded on the register of holders of stock acquisition rights of the company as of the Record Time, in exchange for those EMOBILE Stock Options and the stock acquisition rights of the Company, the terms and conditions of which are comparable to the EMOBILE Stock Options. The number of shares in exchange for stock acquisition rights was 127,424 shares.

5. Amount of goodwill, reason for recognition, method and period of amortization

(1) Amount of goodwill

¥9,579 million

As tentative treatment was finalized, the amount of goodwill that occurred has been adjusted to the above amount.

(2) Reason for recognition

The acquisition cost of the Company (acquired company) exceeded the Company's market value of net assets (net of assets and liabilities assumed) at the date of the Business Combination. Therefore, the exceeded amount was recognized as goodwill.

(3) Method and period of amortization

(a) Method of amortization: Straight line method

(b) Period of amortization: 10 years

6. Effect on the current period consolidated statement of operations as if the Business Combination was completed at the beginning of the current period (numbers were unaudited)

	(¥ in millions)
Revenue	14,107
Recurring profit	3,791
Net income	2,079

Meanwhile, the Company has not obtained an audit certificate for the approximate amount of the effects.

7. Assets and liabilities assumed at the date of Business Combination

	(¥ in millions)
Current Assets	28,128
Fixed assets	124,277
Total Assets	152,405
Current Liabilities	26,156
Long-term Liabilities	47,838
Total Liabilities	73,994

As tentative accounting treatment was finalized, the amount of current liabilities assumed at the date of the business combination has been revised to the above amount.

(Notes) 1. Goodwill (see 5(1)) is not included in the above assets and liabilities

2. Fixed assets include the book value of acquiring company stock of ¥89,435 million owned by the acquired company before the Business Combination.

(Transactions under common control)

At the meeting of the Board of Directors held on February 24, 2011, the Company resolved to conclude a merger agreement to implement an absorption-type merger with EMOBILE, with the Company as the surviving company and EMOBILE as the dissolving company, and the merger agreement was concluded between the two companies on the same date. Based on the agreement, the merger came into effect on March 31, 2011.

1. Names of combining companies, contents of their businesses, date of business combination, legal form of the business combination, company name after business combination, and outline of transaction including its purpose.

(1) Name of combining companies and contents of the businesses

Combining company:	eAccess Ltd.	Telecommunication business
Company subject to combination:	EMOBILE Ltd.	Mobile communication business

(2) Date of business combination

March 31, 2011

(3) Legal form of business combination

The Company has implemented an absorption-type merger with the Company as the surviving company and EMOBILE as the dissolving company.

The merger was implemented without approval from the Annual Shareholders Meeting in accordance with Paragraph 3, Article 796 of the Companies Act for eAccess Ltd. (simplified merger) and in accordance with Paragraph 1, Article 784 of the same law for EMOBILE (short-form merger).

(4) Company name after business combination

eAccess Ltd.

(5) Outline of transaction including its purpose

On July 1, 2010, the Company completed a share exchange transaction whereby the Company became the sole parent company and EMOBILE became a wholly-owned subsidiary, in accordance with our corporate philosophy to realize the fixed mobile convergence in the broadband market and to accelerate development of our Mobile Business. After the share exchange transaction, in light of changes in the business environment surrounding the Company and EMOBILE, particularly increasingly fast data communication services in the mobile communication business, further diversified services and increasingly fierce competition among service providers, the Company determined that it is necessary to further streamline and expedite the eAccess

Group's management decisions in order to proactively and rapidly deal with those environmental changes. For this purpose, the Company decided to implement an absorption-type merger with EMOBILE.

2. Summary of Accounting applied

The Company adopted the accounting for business combinations under common control based on "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, December 26, 2008). Consequently, this accounting treatment has no effect on the consolidated statement of income.

As there were no consolidated subsidiaries at the fiscal year-end as a result of the implementation of this absorption-type merger, the Company has not prepared consolidated balance sheets.

(Per share information)

Item	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net assets per share	¥6,981.37	¥– (*)
Net income per share	¥2,762.06	¥4,765.51
Diluted net income per share	¥2,170.49	¥4,568.24

(*) As the Company has not prepared consolidated balance sheets for the current consolidated fiscal year, net assets per share for fiscal year ended March 31, 2011 is not described.

(Note) Basis for calculating net assets per share

1. Net assets per share

(¥ in millions)

Item	Fiscal year ended March 31, 2010
Total amounts of net assets on consolidated balance sheets	13,155
Net assets attributable to common shares	10,106
Major breakdown of the differences	
Minority interests	507
Paid-in amount for preferred stock	2,500
Cash dividends paid for preferred stocks	42
Total number of shares of common stock (shares)	1,447,496
Total number of shares of treasury stock (shares)	–
Number of common stock used to calculate net assets per share (shares)	1,447,496

2. Net income per share and diluted net income per share

Item	Fiscal year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Net income on consolidated statements of operations (¥ in million)	4,148	14,565
Major breakdown of amounts not attributable to common shareholders Cash dividends paid for preferred stock (¥ in million)	169	140
Net income related to common stock (¥ in million)	3,979	14,425
Average number of shares of common stock during the period (shares)	1,440,640	3,026,971 (Note 1)
Major breakdown of adjusted net income used for calculating diluted net income per share (¥ in million)	Increase in equity in net losses of affiliates in the conversion of potential shares issued by E-MOBILE to which the equity method was applied (Class A preferred stocks) to common shares (636) Interest expense (after deduction of the amount equivalent to taxes) 49	Interest expense (after deduction of the amount equivalent to taxes) 149
Adjusted net income (¥ in million)	(587)	149
Major breakdown of increase in the number of common shares used for calculating diluted net income per share (shares)	The Company: Stock acquisition rights (stock option) 5,925 Corporate bonds with new stock acquisition rights 116,344	The Company: Stock acquisition rights (stock option) 16,864 Corporate bonds with new stock acquisition rights 146,434
Increase in the number of common shares (shares)	122,269	163,298 (Note 2)
Outline of potential shares which were not used for calculating diluted net income per share as they did not have any dilutive effect (shares)	The Company: New stock acquisition rights (stock option) 71,810 E-MOBILE: New stock acquisition rights (stock option) 127,038	The Company: New stock acquisition rights (stock option) 108,613

Note 1: Of the number of shares used as a basis for calculating the average number of shares during the period (the number of shares after deducting the number of shares of treasury stock from the number of outstanding common shares issued), the number of shares for the period from the beginning date of the consolidated fiscal year to one day prior to the share exchange was calculated by converting the number of shares of E-MOBILE for the period (after deducting the shares of E-MOBILE held by the Company before the share exchange) to the number of shares of the Company. The conversion of the E-MOBILE shares into the shares of the Company was made on the basis of the conversion ratio in the share exchange between the Company and E-MOBILE.

Note 2: The increase in the number of shares through the exercise of some stock options was calculated in a way similar to the calculation of the average number of shares during the period.

(Significant subsequent events)

Fiscal year ended March 31, 2010
New stock subscription from an equity-method affiliate On May 12, 2010, the board of directors of the Company approved the subscription of new shares offered by EMOBILE, an equity-method affiliate of the Company, by way of the Third-Party Allotment. The subscription amount was changed to increase from the planned amount of 12,000 million yen agreed in the Share Exchange Agreement with EMOBILE on March 31, 2010, due to the increase of total size of EMOBILE's third party share allotment from the amount planned in the Share Exchange Agreement.

(1) Details of the issuer:

Name	EMOBILE Ltd.	
Established date	January 5, 2005	
Description of business	Mobile telecommunication business	
Amount of capital	¥71,754 million	
(After increase in capital)	¥94,254 million	
Issued stocks	Common stock	607,000 shares
	Preferred stock A	333,333 shares
	Preferred stock A-1	433,335 shares
	Preferred stock A-2	651,277 shares
(After increase in capital)	Common stock	1,016,092 shares
	Preferred stock A	333,333 shares
	Preferred stock A-1	433,335 shares
	Preferred stock A-2	651,277 shares

(2) Outline of the new stock subscription is as follows:

Total subscription amount	¥17,000 million
Subscription price	¥110,000 per share
Number of shares	154,546 shares
Purpose of the new stock subscription	To enhance the Group financial position and to maximize the Group synergy

(3) Company holding before / after share subscription is as follows:

Company holding before share subscription	Common stock	606,300 shares
	Preferred stock A	214,110 shares
	Preferred stock A-2	41,175 shares
Company holding after share subscription	Common stock	760,846 shares
	Preferred stock A	214,110 shares
	Preferred stock A-2	41,175 shares

(4) Schedules are as follows:

May 12, 2010	Approval on the board of directors of the Company
June 30, 2010	Application and payment due

Fiscal year ended March 31, 2011

Changes in reporting segments

On March 31, 2011, the Company implemented an absorption type merger with E-MOBILE where the Company would become the surviving company by merger. To optimize the business management system for the business year beginning on April 1, 2011, the Company realigned its existing Mobile Business, Network Business, and Device Business and would newly segment them into wireless communication business and fixed line communication business. In line with the realignment, the "Wireless Communication Business" and "Fixed Line Communication Business" will be the reporting segments of the Company from the next fiscal year.
Wireless Communication Business provides mobile broadband communication services, development and sales of communication terminals. Fixed Line Communication Business provides high speed Internet access services and ISP services.
Meanwhile, if "Information on the amounts of sales, income or loss, assets and other items for each reporting segment for the consolidated fiscal year is reconciled to the business segments which will be used from the next business year, they will be as shown in the table below.

	Reporting segment		Total	Adjusted amount	Amount on consolidated financial statements
	Wireless	Fixed line			
Net sales					
Sales to external customers	141,239	40,302	181,541	–	181,541
Intersegment sales or transferred amounts	–	–	–	–	–
Total	141,239	40,302	181,541		181,541
Segment income	3,061	12,625	15,686	(718)	14,967
Segment assets	253,322	18,808	272,130	80,822	352,952
Other items					
Depreciation expenses	28,880	4,101	32,981	130	33,111
Amortized goodwill	–	–	–	718	718
Increase in the amounts of tangible fixed assets and intangible fixed assets	39,299	1,470	40,769	76	40,845

(Note) As the Company has not prepared the consolidated balance sheets for the consolidated fiscal year, the segment assets are described based on the amounts on the non-consolidated balance sheets for reference.

eAccess Ltd.

(1) Balance Sheets

(As of March 31, 2010 and 2011)

	(¥ in millions) Prior Year End (As of March 31, 2010)	(¥ in millions) Current Year End (As of March 31, 2011)	($ in thousands) Current Year End (As of March 31, 2011)
(ASSETS)			
Current assets			
Cash and cash deposit	25,458	※1 47,080	※1 568,874
Accounts receivable-trade	10,880	※1 30,263	※1 365,672
Merchandise	106	※1 2,090	※1 25,254
Supplies	5	62	749
Advance payments-trade	2,833	845	10,210
Prepaid expenses	410	3,381	40,853
Accounts receivable-other	3,187	36,584	442,049
Income taxes receivable	-	2,513	30,365
Deferred tax assets	1,714	4,939	59,679
Other current assets	334	199	2,405
Allowance for bad debt	(10)	(3,520)	(42,533)
Total current assets	44,916	124,438	1,503,601
Fixed assets			
Tangible fixed assets			
Buildings	497	1,726	20,855
Accumulated depreciation	(176)	(688)	(8,313)
Buildings, net	322	1,037	12,530
Structures	-	17,270	208,676
Accumulated depreciation	-	(1,463)	(17,678)
Structures , net	-	15,807	190,998
Machinery and equipments	47,666	51,502	622,305
Accumulated depreciation	(37,432)	(42,668)	(515,563)
Machinery and equipments, net	10,234	8,834	106,742
Wireless telecommunications equipments	-	157,214	1,899,638
Accumulated depreciation	-	(46,445)	(561,201)
Wireless telecommunications equipments, net	-	110,769	1,338,436
Terminal equipments	8,936	8,960	108,265
Accumulated depreciation	(5,356)	(6,880)	(83,132)
Terminal equipments , net	3,580	2,080	25,133
Tools, furniture and fixtures	1,311	5,498	66,433
Accumulated depreciation	(988)	(4,459)	(53,879)
Tools, furniture and fixtures, net	323	1,038	12,542
Land	307	307	3,710
Construction in progress	1,171	4,851	58,615
Total tangible fixed assets	15,936	※1 144,724	※1 1,748,719
Intangible assets			
Right of trademark	-	7	85
Right of using facilities	-	13,882	167,738
Software	2,419	30,834	372,571
Software in progress	196	3,077	37,180
Total intangible fixed assets	2,614	※1 47,800	※1 577,574
Investments and other assets			
Securities investments	4,015	1,481	17,895
Affiliated company stocks	50,078	-	-
Investments in other securities of subsidiaries and affiliates	209	41	495
Long-term accounts receivable-other from affiliate	9,271	-	-
Long-term prepaid expenses	546	5,687	68,717
Long-term accounts receivable-other	-	11,961	144,526
Guarantee deposits	1,088	1,515	18,306
Deferred income tax assets	1,486	15,030	181,609
Investments and others	-	99	1,196
Allowance for bad debt	-	(190)	(2,296)
Total investments and other assets	66,692	35,623	430,437
Total fixed assets	85,243	228,147	2,756,730
Deferred assets			
Bond issuance cost	425	366	4,422
Total deferred assets	425	366	4,422
TOTAL ASSETS	130,584	352,952	4,264,766

Balance Sheets (Continued)

(As of March 31, 2010 and 2011)

	(¥ in millions) Prior Year End (As of March 31, 2010)	(¥ in millions) Current Year End (As of March 31, 2011)	($ in thousands) Current Year End (As of March 31, 2011)
(LIABILITIES)			
Current liabilities			
Accounts payable-trade	2,098	1,791	21,641
Current maturities of bonds	1,848	14,048	169,744
Current portion of long-term debt	2,854	※2 20,712	※2 250,266
Current portion of capital lease obligations	894	696	8,410
Other accounts payable	2,416	10,298	124,432
Accounts payable-facilities	664	9,218	111,382
Current portion of installment obligations	1,726	※2 14,031	※2 169,538
Accrued expenses	5,987	7,038	85,041
Income tax payable	2,890	509	6,150
Accrued consumption taxes	205	632	7,637
Advances received	1,786	50	604
Deposits received	285	271	3,275
Provision for employee bonus	19	-	-
Provision for directors bonus	88	-	-
Allowance for disaster loss	-	77	930
Asset retirement obligations	-	40	483
Other current liabilities	353	-	-
Total current liabilities	24,114	79,409	959,509
Long-term liabilities			
Bonds	26,126	12,640	152,731
Long-term debt	19,075	※2 177,665	※2 2,146,750
Capital lease obligations, less current portion	889	194	2,344
Installment obligations, less current portion	1,640	※2 9,707	※2 117,291
Long-term deposits received	563	-	-
Asset retirement obligations	-	307	3,710
Other long-term liabilities	1,281	4	48
Total long-term liabilities	49,575	200,517	2,422,873
TOTAL LIABILITIES	73,689	279,926	3,382,383
(NET ASSETS)			
Shareholders' equity			
Common stock	18,392	18,482	223,320
Capital surplus			
Legal capital surplus	7,043	49,230	594,853
Other capital surplus	2,039	-	-
Total Capital surplus	9,082	49,230	594,853
Retained earnings			
Other retained earnings			
Retained earnings brought forward	29,381	5,325	64,343
Total retained earnings	29,381	5,325	64,343
Total shareholders' equity	56,855	73,037	882,516
Valuation and translation adjustments			
Valuation adjustment on securities investments	12	18	217
Deferred hedge gain / (loss)	28	(29)	(350)
Total valuation and translation adjustments	40	(11)	(133)
TOTAL NET ASSETS	56,895	73,026	882,383
TOTAL LIABILITIES AND NET ASSETS	130,584	352,952	4,264,766

eAccess Ltd.

(2) Statements of Operations

(For the years ended March 31, 2010 and 2011)

	(￥ in millions) Prior Year (Twelve months ended March 31, 2010)	(￥ in millions) Current Year (Twelve months ended March 31, 2011)	($ in thousands) Current Year (Twelve months ended March 31, 2011)
Revenue	77,029	※1 70,906	※1 856,767
Cost of revenue	45,409	42,832	517,545
Gross profit	31,621	28,075	339,234
Selling, general and administrative expenses			
Advertising expenses	28	5	60
Promotion expenses	5,034	2,854	34,485
Provision of allowance for doubtful accounts	-	1	12
Bad debts expenses	17	11	133
Salaries and allowances	1,944	1,748	21,121
Provision for directors' bonuses	88	-	-
Compensations	233	249	3,009
Traveling and transportation expenses	48	43	520
Rent expenses	603	397	4,797
Business consignment expenses	3,388	2,593	31,332
Recruiting expenses	3	11	133
Office supplies expenses	12	2	24
Supplies expenses	25	48	580
Communication expenses	512	374	4,519
Depreciation	1,011	890	10,754
Research and development expenses	438	※2 465	※2 5,619
Others	844	970	11,721
Total Selling, general and administrative expenses	14,226	10,662	128,830
Operating profit	17,395	17,413	210,404
Non-operating income			
Interest income	95	13	157
Dividend income	2	2	24
Gain on disposal of unpaid dividend	19	15	181
Others	38	33	399
Total non-operating income	154	63	761
Non-operating expenses			
Interest expense	559	627	7,576
Interest on bonds	1,679	698	8,434
Commission expense	116	160	1,933
Amortization of bond issuance costs	41	96	1,160
Others	125	88	1,063
Total non-operating expenses	2,521	1,669	20,167
Recurring profit	15,027	15,807	190,998
Non-recurring profit			
Reversal of allowance for doubtful accounts	6	-	-
Gain on negative goodwill	467	-	-
Gain on redemption of bonds	134	-	-
Gain on sales of subsidiary's stock	-	13	157
Gain on elimination of tie-in shares	928	-	-
Others	49	-	-
Total non-recurring profit	1,584	13	157
Non-recurring loss			
Loss on elimination of tie-in shares	-	47,931	579,157
Loss on disposition of fixed assets	595	※3 181	※3 2,187
Loss on write-down of securities investments	5	2,537	30,655
Loss on disaster	-	43	520
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	22	266
Others	38	5	60
Total non-recurring loss	638	50,718	612,832
Income / (Loss) before income taxes	15,973	(34,898)	(421,677)
Income / (Loss) tax expense-current	4,988	64	773
Income / (Loss) tax expense-deferred	969	(16,734)	(202,199)
Total income taxes	5,957	(16,670)	(201,426)
Net income / (Loss)	10,015	(18,228)	(220,251)

eAccess Ltd.

Cost of Revenue

(For the years ended March 31, 2010 and 2011)

	(¥ in millions) Prior Year (Twelve months ended March 31, 2010)	(¥ in millions) Current Year (Twelve months ended March 31, 2011)	($ in thousands) Current Year (Twelve months ended March 31, 2011)
Devices and related tools sold	10,614	8,908	107,637
Salaries and benefits	529	526	6,356
Expenses			
Outsourcing	1,807	1,511	18,258
Depreciation and amortization	5,407	5,896	71,242
Network	18,695	18,529	223,888
Modem rental	7,644	6,710	81,078
Others	713	751	9,074
Cost of revenue	45,409	42,832	517,545

eAccess Ltd.

(3) Statements of Changes in Net Assets

(For the year ended March 31, 2010)

(￥ in millions)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2009	18,368	7,019	22,950	-	48,336
Change of items during the period					
Issuance of new stock, net	24	24			49
Cash dividends			(3,584)		(3,584)
Net income after tax			10,015		10,015
Increase by merger		2,193			2,193
Purchase of treasury stock				(154)	(154)
Retirement of treasury stock		(154)		154	-
Net changes of items other than shareholders' equity					-
Total changes of items during the period	24	2,063	6,431	-	8,519
Balance at March 31, 2010	18,392	9,082	29,381	-	56,855

	Valuation and translation adjustments			Total net assets
	Valuation difference on securities investments	Deferred hedge gain / (loss)	Total	
Balance at March 31, 2009	(4)	(356)	(360)	47,976
Change of items during the period				
Issuance of new stock, net				49
Cash dividends				(3,584)
Net income after tax				10,015
Increase by merger				2,193
Purchase of treasury stock				(154)
Retirement of treasury stock				-
Net changes of items other than shareholders' equity	16	384	400	400
Total changes of items during the period	16	384	400	8,918
Balance at March 31, 2010	12	28	40	56,895

eAccess Ltd.

Statements of Changes in Net Assets

(For the year ended March 31, 2011)

(¥ in millions)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2010	18,392	9,082	29,381	-	56,855
Change of items during the period					
Issuance of new stock, net	90	89			179
Increase in share exchange		42,097			42,097
Cash dividends			(5,045)		(5,045)
Net loss after tax			(18,228)		(18,228)
Purchase of treasury stock				(2,821)	(2,821)
Retirement of treasury stock		(2,038)	(784)	2,821	-
Net changes of items other than shareholders' equity					-
Total changes of items during the period	90	40,148	(24,056)	-	16,182
Balance at March 31, 2011	18,482	49,230	5,325	-	73,037

	Valuation and translation adjustments			Total net assets
	Valuation difference on securities investments	Deferred hedge gain / (loss)	Total	
Balance at March 31, 2010	12	28	40	56,895
Change of items during the period				
Issuance of new stock, net				179
Increase in share exchange				42,097
Cash dividends				(5,045)
Net loss after tax				(18,228)
Purchase of treasury stock				(2,821)
Retirement of treasury stock				-
Net changes of items other than shareholders' equity	7	(57)	(51)	(51)
Total changes of items during the period	7	(57)	(51)	16,131
Balance at March 31, 2011	18	(29)	(11)	73,026

($ in thousands)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2010	222,233	109,739	355,014	-	686,986
Change of items during the period					
Issuance of new stock, net	1,087	1,075			2,163
Increase in share exchange		508,664			508,664
Cash dividends			(60,959)		(60,959)
Net loss after tax			(220,251)		(220,251)
Purchase of treasury stock				(34,087)	(34,087)
Retirement of treasury stock		(24,625)	(9,473)	34,087	-
Net changes of items other than shareholders' equity					-
Total changes of items during the period	1,087	485,114	(290,672)	-	195,529
Balance at March 31, 2011	223,320	594,853	64,343	-	882,516

	Valuation and translation adjustments			Total net assets
	Valuation difference on securities investments	Deferred hedge gain / (loss)	Total	
Balance at March 31, 2010	145	338	483	687,470
Change of items during the period				
Issuance of new stock, net				2,163
Increase in share exchange				508,664
Cash dividends				(60,959)
Net loss after tax				(220,251)
Purchase of treasury stock				(34,087)
Retirement of treasury stock				-
Net changes of items other than shareholders' equity	85	(689)	(616)	(616)
Total changes of items during the period	85	(689)	(616)	194,913
Balance at March 31, 2011	217	(350)	(133)	882,383

(4) Notes on premise of going concern
No items to report.

(5) Changes in basis of preparation for non-consolidated financial statements
Change in accounting policies

Fiscal year ended March 31, 2011
(Adoption of Accounting Standards for Asset Retirement Obligations) Effective from the business year ended March 31, 2011, the Company adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008). As a result of this change, operating profit and recurring profit decreased ¥5 million, respectively, and loss before income taxes increased ¥27 million.

(6) Notes to non-consolidated financial statements
Notes to non-consolidated balance sheets

As of March 31, 2011
*1. Assets pledged as collateral Collateral provided for syndicated loan Major assets held by the Company were pledged as collateral for the syndicated loans (*2) for the Company. The period and book values of assets pledged as collateral as of the end of the business year are as follows: (Period for pledging assets as collateral) (¥ in millions) Cash and deposits 28,461 Accounts receivable-trade 24,032 Merchandise 2,090 Tangible assets 115,562 Intangible fixed assets 45,643 Total 215,788 Certain financial covenants and operating covenants are provided for the syndicate loans. The Company has not breached any of the provisions of the financial covenants or operating covenants as of March 31, 2011.

As of March 31, 2011
*2. State of borrowings under the commitment line (1) The Company established commitment lines of ¥7,667 million in total for a borrowing period of up to 4 years and 10 months with two banks and a commitment line of ¥22,695 million for a borrowing period of up to 8 years and 6 months with one bank, in order to secure funds necessary for working capital and capital investments. The Company also entered into an installment disbursement term loan agreement of ¥7,422 million in total for a borrowing period of up to 5 years and 10 months with one bank. The actual amounts borrowed as of the end of the business year were ¥7,667 million, ¥22,695 million, and ¥3,015 million, respectively. Certain financial covenants have been provided for these commitment lines. (2) The Company refinanced borrowings which EMOBILE Ltd. made in March 2006 in order to secure necessary funds for mobile businesses with a view to strengthening the mid- and long-term financial foundation, and entered into syndicate loans of ¥165,000 million in total for a borrowing period of up to 5 years with 21 financial institutions. The actual amount borrowed at the end of the business year was ¥165,000 million. Certain financial covenants and operating covenants are provided for the syndicate loans. The major provisions of financial covenants and operating covenants are as follows. In the event of breach of these covenants, the Company might be demanded for repayment of all the interest-bearing debts under this commitment line. The Company has not breached any of the financial covenants or operating covenants below as of March 31, 2011. Financial covenants 1) The Company shall meet the required debt service coverage ratio (*1) 2) The Company shall meet the required interest coverage ratio (*2) 3) The Company shall meet the required leverage ratio (*3) 4) The Company shall maintain positive net worth during the loan period (*1) Debt service coverage ratio: amount available for repayment / total payment of principal and interest (*2) Interest coverage ratio: EBITDA (Earning Before Interest, Taxes, Depreciation, and Amortization) / total interest expenses (*3) Leverage ratio: (interest-bearing debt outstanding－cash and deposits) / EBITDA Operating covenants 1) The Company shall meet the required population coverage ratio or the required aggregate number of base stations

As of March 31, 2011
2) The Company shall meet the required target for the number of subscribers The state of assets pledged as collateral is described in *1. (3) On March 1, 2011, EMOBILE entered into installment sales agreements with 4 lease companies in order to raise funds necessary to purchase communication terminals for mobile businesses. The Company has taken over these agreements. The outstanding balances of unexecutory agreements as of the end of the business year are as follows.

	(¥ in millions)
Total amount of installment	6,000
Used amount	2,148
Unused amount of installment	3,852

Notes to non-consolidated statements of operations

As of March 31, 2011		
*1. Affiliated companies		
Revenue	(¥ in millions)	15,000
*2. Total of research and development expenses		
Research and development expenses included in general and administrative expenses	(¥ in millions)	465
*3. Loss on disposition of fixed assets		
		(¥ in millions)
Building and structures		0
Machinery and equipments		1
Terminal equipments		164
Tools, furniture and fixtures		1
Total loss on disposition of tangible fixed assets		166
Software		14
Total loss on disposition of intangible fixed assets		14

Notes to non-consolidated statements of changes in net assets

Fiscal year ended March 31, 2011

1. Number of issued shares

Class of shares	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock (shares)	1,447,496	2,061,847	45,591	3,463,752
Class 1 preferred stock (shares)	25	–	–	25

(Note) The increase of 2,061,847 shares in the number of common shares reflects the increase of 5,884 shares through the exercise of stock options and the increase of 2,055,963 via the share exchange by and between the Company and EMOBILE. The decrease of 45,591 shares in the number of common shares is due to the retirement of shares of treasury stock.

2. Treasury stock

Class of shares	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock (shares)	–	45,591	45,591	–

(Notes) 1. The increase of 45,591 shares in the number of shares of treasury stock reflects the increase of 36,800 shares due to the demand for the purchase by dissenting shareholders pursuant to Article 797, Paragraph 1 of the Corporation Act governing the share exchange with EMOBILE, the increase of 14 shares due to the purchase of shares less than the number of shares constituting one trading lot, and the increase of 8,777 shares due to the purchase on markets.

2. The decrease of 45,591 shares in the number of shares of treasury stock is due to the retirement of shares of treasury stock.

3. Stock acquisition rights

Stock acquisition rights as stock option

There is no outstanding balance of stock acquisition rights as of March 31, 2011.

4. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amounts of dividends (¥ in millions)	Dividend per share (¥)	Record date	Effective date
May 12, 2010 Board meeting	Common stock	868	600	March 31, 2010	June 25, 2010
May 12, 2010 Board meeting	Class 1 preferred stock	42	1,693,438	March 31, 2010	June 25, 2010
May 12, 2010 Board meeting	Common stock	2,609	1,800	June 30, 2010	September 10, 2010
August 4, 2010 Board meeting	Class 1 preferred stock	47	1,862,188	June 30, 2010	September 10, 2010
November 11, 2010 Board meeting	Common stock	692	200	September 30, 2010	December 10, 2010
November 11, 2010 Board meeting	Class 1 preferred stock	47	1,862,188	September 30, 2010	December 10, 2010
February 9, 2011 Board meeting	Common stock	693	200	December 31, 2010	March 11, 2011
February 9, 2011 Board meeting	Class 1 preferred stock	47	1,862,188	December 31, 2010	March 11, 2011

(Note) Dividend amounts less than ¥1 are rounded off

(2) Dividends whose record date falls in the current fiscal year and have an effective date in the next fiscal year

Resolution	Class of shares	Source of dividends	Total amounts of dividends (¥ in millions)	Dividend per share (¥)	Record date	Effective date
May 12, 2011 Board meeting	Common stock	Retained earnings	693	200	March 31, 2011	June 27, 2011
May 12, 2011 Board meeting	Class 1 preferred stock	Retained earnings	47	1,862,188	March 31, 2011	June 27, 2011

(Note) Dividend amounts less than ¥1 are rounded off

(Deferred income taxes)

Fiscal year ended March 31, 2011	
1. Significant components of deferred tax assets were as follows:	
	(¥ in millions)
(Deferred tax assets)	
Property taxes payable	19
Accrued expenses	443
Accounts receivable-other	366
Allowance for doubtful accounts	1,511
Terminal related valuation loss	2,035
Depreciation and amortization	2,058
Securities investments	1,035
Loss carry forward	41,452
Others	369
Total gross deferred tax assets	49,289
Valuation allowance	(29,320)
Net deferred tax assets	19,969
2. Reconciliation between statutory tax rates and the effective income taxes rate after applying tax effect accounting	
Statutory tax rate	40.7%
(Reconciliation)	
Gain on elimination of tie-in shares	(55.9)%
Valuation allowance	63.0%
Others	0.0%
Effective income taxes rate after applying tax effect accounting	47.8%

(Securities)
As of March 31, 2011

(¥ in millions)

Classification	Type	Amount on consolidated balance sheets	Acquisition cost	Difference
Items where value recorded on consolidated balance sheets exceeds acquisition cost	stock	77	46	31
Subtotal		77	46	31
Total		77	46	31

(Note) Since unlisted shares (the amount recorded on the non-consolidated balance sheets is ¥1,404 million) have no market prices and determining their fair values is deemed extremely difficult, they are not included in "Available-for-sale securities" in the table above. As described in "3 Securities impaired during the business year", the Company impaired these securities and presented the amount of ¥1,404 million after the impairment treatment on the non-consolidated balance sheet.

2. Available-for-sale securities sold during the fiscal year ended March .31, 2011
No items to report.

3. Securities impaired during the fiscal year ended March .31, 2011
Of available-for-sale securities, the Company impaired equities whose fair values were deemed extremely difficult to determine during the business year, amounting to ¥2,537 million.
In applying impairment accounting, when the fair value at the end of the business year declined by 30% or more compared with acquisition costs, we deemed such decline to be the "considerable decline". If the fair value of equities declined by 50% or more, we impaired them. When such decline was between 30% and less than 50%, we

impaired them except those whose fair values were determined to be recoverable.
For equities whose fair values were deemed extremely difficult to determine, when the substantive prices declined by 50% or more compared with the acquisition prices due to the deterioration of financial position of the issuer of the equities, the Company deemed the decline to be the considerable decline, and impaired them except cases where their recoverability was supported by sufficient evidence.

(Business combination)
Fiscal year ended March 31, 2011
(Share exchange)
The Company resolved at the board of directors' meeting held on March 31, 2010, to implement management integration with EMOBILE, Ltd. (EMOBILE) to which the equity method was applied, and entered into the share exchange agreement with EMOBILE on the same day (the memorandum of understanding related to revisions to the share exchange agreement was entered into on May 12, 2010). The Company approved the agreement at its annual shareholders meeting held on June 24, 2010 and EMOBILE approved the agreement at its annual shareholders meeting and shareholders meeting by class held on June 24, 2010. The Company and EMOBILE implemented the shares exchange with the effective date of July 1, 2010.
The share exchange turns the Company into the parent company and EMOBILE into the wholly owned subsidiary.
Since this transaction falls under a reverse acquisition under "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008), the acquisition costs of shares of subsidiaries on the non-consolidated financial statements amounting to ¥42,625 million was calculated using the value of the net assets (shareholders' equity) based on the fair book value of EMOBILE on the day preceding the business combination.
Other information is not shown since it is the same as the information described in the notes to business combinations on the consolidated financial statements.

(Transaction under common control)
The Company resolved at the board of directors' meeting held on February 24, 2011 to enter into the merger agreement on the absorption-type merger which turns the Company into the surviving company by merger and EMOBILE into the dissolving company by merger and entered into the merger agreement with EMOBILE on the same day. Subsequently the merger took effect on March 31, 2011 in accordance with the merger agreement.
This merger was accounted for as the transaction under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008). The differences between the balances of the assets received and liabilities assumed from EMOBILE based on the fair book values determined on the day preceding the merger (shareholders' equity) and the fair values of shares of EMOBILE held by the Company immediately before the merger (tie-in shares) amounted to ¥47,931 million. The Company accounted for the differences as loss on the extinguishment of tie-in shares and included them in the non-recurring loss.
Other information is not shown since it is the same as the information described in the notes to business combinations on the consolidated financial statements.

(Notes to reverse acquisition)
As noted above, the Company implemented the share exchange with the effective date of July 1, 2010, which turned the Company into the parent company by merger and EMOBILE into the wholly owned subsidiary. The Company accounted for this business combination as the reverse acquisition in which EMOBILE became the acquiring company and the Company became the acquired company. The Company also implemented the absorption-type merger with the effective date of March 31, 2011 in which the Company became the surviving company by merger and EMOBILE became the dissolving company by merger. Since, as a result of the merger, no consolidated subsidiary continued to exist at the end of the business year, the Company did not prepare the consolidated financial statements. Moreover for the purpose of the non-consolidated financial statements, the Company recorded the assets and liabilities of EMOBILE, the acquiring company, based on the fair book values determined on the day preceding the merger (the purchase method was not applied). Their effects on the non-consolidated financial statements are as follows:

(1) Differences when purchase method is applied to the acquired company

1) Items in Non-consolidated balance sheet

	(¥ in millions)
Current Assets	–
Fixed assets	8,861
Deferred assets	(357)
Total Assets	8,504
Current Liabilities	–
Non-current Liabilities	–
Total Liabilities	–
Total Assets	8,504

(Note) Goodwill of ¥8,861 million is included in the above fixed assets and total assets.

2) Items in non-consolidated statements of operations

Items in non-consolidated statements of operations are not shown since consolidated statements of operations have been prepared.

(2) Other information

Other information is not shown since it is the same as the information described in the notes to business combinations on the consolidated financial statements.

(Per share information)

Item	Fiscal year ended March 31, 2011
Net assets per share	¥20,347.74
Net loss per share	¥(6,207.28)
Diluted net income per share	Diluted net income per share is not presented because it is net loss per share for the year ended March 31, 2011.

(Note) Basis for calculating net assets per share

1. Net assets per share

Item	Fiscal year ended March 31, 2011
Total net assets on the consolidated balance sheets (¥ in millions)	73,026
Net assets related to common shareholders (¥ in millions)	70,480
Major breakdown of the differences	
Paid amount for preferred stock (¥ in millions)	2,500
Cash dividends paid for preferred stocks (¥ in millions)	47
Total number of issued shares of common stock (shares)	3,463,752
Total number of treasury shares of common stock (shares)	–
Number of common stocks used in calculation of net assets per share (shares)	3,463,752

2. Net loss per share and diluted net income per share

Item	Fiscal year ended March 31, 2011
Net loss on statements of operations (¥ in millions)	(18,228)
Major breakdown of amounts not attributable to common shareholders Cash dividends paid for preferred stock (¥ in millions)	186
Net loss related to common stock (¥ in millions)	(18,414)
Average number of shares of common stock during the period (shares)	2,966,548
Outline of potential shares which were not used for calculating diluted net income per share as they did not have any dilutive effect.	The Company: (shares) Stock acquisition rights (Stock option) 200,508 The Company: Corporate bond with stock acquisition rights 195,647

(Significant subsequent events)

Fiscal year ended March 31, 2010	
Issuance of notes The Company issued foreign currency denominated senior notes according to the following conditions.	
(1) Issue date	April 1, 2011
(2) Aggregate principal amount	US dollar denominated senior notes: $420,000,000 (¥34,028 million) Euro denominated senior notes. 200,000,000 euros (¥22,961 million)
(3) Interest rate	US dollar denominated senior notes: 8.250%, euro denominated senior notes: 8.375%
(4) Maturity	April 1, 2018
(5) Method of maturity	Bullet (with call option after 5 years)
(6) Use of proceeds	The Company allocated the ¥56,988 that was raised by this issuance for prepayment towards ¥165,000 million in borrowings under a syndicated loan. As a result, the balance of borrowings under the syndicated loan stands at ¥108,012 million as of April 1, 2011.
(7) Others	The Company has concluded an agreement for a foreign currency swap transaction with a transaction start date of April 1, 2011. Consequently, the amount received by Company at issuance and the interest and principal to be paid on the Notes is in Japanese yen.

6. Other

(1) Changes in Directors and Corporate Auditors

No items to report

(2) Statements of operations of EMOBILE

Operating results of EMOBILE, which was merged to the Company on March 31, 2011, are as follows:

	(¥ in millions)	(¥ in millions)	($ in thousands)
	(From April 1, 2009 to March 31, 2010)	(From April 1, 2010 to March 30, 2011)	
Revenue	113,605	142,637	1,723,502
Cost of revenue	57,047	63,140	762,929
Gross profit	56,558	79,496	960,561
Selling, general and administrative expenses	62,650	76,863	928,746
Operating profit / (loss)	(6,092)	2,633	31,815
Non-operating income	90	50	604
Non-operating expenses	8,772	8,437	101,945
Recurring loss	(14,774)	(5,754)	(69,526)
Non-recurring loss	99	4,822	58,265
Loss before income taxes	(14,873)	(10,576)	(127,791)
Income tax expense-current	3	31	375
Total income taxes	3	31	375
Net loss	(14,876)	(10,608)	(128,178)

(Note) Stated amounts less than one million yen are rounded off.

Quarterly Results for Fiscal Year 3/2011
Supplemental Financial Information (Consolidated)

* eAccess consolidated EMOBILE as a 100% subsidiary through share exchange on 7/1/2010.This transaction is treated under the reverse acquisition accounting based on the accounting rules. Under this method EMOBILE results are recognized as the accounting p

Quarterly Trend of Profit & Loss Statements (Consolidated) (in million yen)

	Fiscal Year 3/2010					Fiscal Year 3/2011				
	1Q 2009 (4 - 6/2009)	2Q 2009 (7 - 9/2009)	3Q 2009 (10 - 12/2009)	4Q 2009 (1 - 3/2010)	Full-year Result	1Q 2010 (4 - 6/2010)	2Q 2010 (7 - 9/2010)	3Q 2010 (10 - 12/2010)	4Q 2010 (1 - 3/2011)	Full-year Result
Revenue							48,150	48,818	49,674	181,541
Mobile							34,499	35,921	37,317	142,637
Network (mainly ADSL)							15,688	14,815	14,301	44,804
Device							2,188	2,129	2,705	7,022
(Intercompany elimination)							-4,225	-4,047	-4,649	-12,921
Cost of revenue							19,910	19,148	28,731	81,662
Mobile							13,446	12,898	22,924	63,140
Network (mainly ADSL)							8,733	8,292	8,073	25,097
Device							1,968	1,932	2,383	6,283
(Intercompany elimination)							-4,236	-3,974	-4,649	-12,859
Gross profit							28,240	29,670	20,942	99,879
Gross margin (%)							58.6%	60.8%	42.2%	55.0%
Mobile							21,053	23,023	14,393	79,496
Network (mainly ADSL)							6,956	6,523	6,228	19,707
Device							220	197	322	739
(Intercompany elimination)							11	-73	-1	-63
Selling, general and administrative							22,164	22,360	21,682	84,912
Mobile							19,326	19,748	19,083	76,863
Network (mainly ADSL)							2,376	2,232	2,255	6,863
Device							189	222	210	622
(Intercompany elimination)							274	157	133	564
Operating profit							6,076	7,310	-740	14,967
Operating margin (%)							12.6%	15.0%	-1.5%	8.2%
Mobile							1,728	3,275	-4,691	2,633
Network (mainly ADSL)							4,580	4,291	3,973	12,844
Device							31	-26	112	117
(Intercompany elimination)							-262	-231	-134	-627
Other income							37	20	17	82
Other expenses							2,641	2,469	2,423	9,961
Recurring Profit							3,473	4,860	-3,146	5,088
Recurring margin (%)							7.2%	10.0%	-6.3%	2.8%
Non-recurring profit							1	13	17	32
Non-recurring loss							46	80	7,308	7,543
Income/(loss) before income taxes							3,428	4,794	-10,438	-2,423
Income taxes							1,693	1,536	-20,227	-16,988
Net income							1,735	3,258	9,790	14,565
Net margin (%)							3.6%	6.7%	19.7%	8.0%
EBITDA							14,895	16,350	17,934	58,249
EBITDA margin (%)							30.9%	33.5%	36.1%	32.1%
Mobile							8,600	10,405	12,299	40,374
Network (mainly ADSL)							6,308	5,991	5,589	17,887
Device							40	-15	124	150
Capital expenditures							6,064	6,077	20,493	40,845
Mobile							5,428	5,616	20,043	39,298
Network (mainly ADSL)							635	461	450	1,546
Device							1	0	0	1
Depreciation and amortization							8,819	9,040	9,221	33,829
Mobile							6,872	7,130	7,481	28,232
Network (mainly ADSL)							1,727	1,700	1,616	5,043
Device							10	11	12	33
(Intercompany elimination)							210	199	112	520
R&D expenses							108	144	119	371
Number of employees							1,116	1,118	1,292	1,292

Note 1: EBITDA = Operational Profit + Depreciation + Device valuation losses.
Note 2: Mobile cost of revenue includes device valuation losses of 9,452 million yen in 4Q and FY3/2011.

Statements of Cash Flows (Consolidated) (in million yen)

	Fiscal Year 3/2010					Fiscal Year 3/2011				
	1Q 2009 (4 - 6/2009)	2Q 2009 (7 - 9/2009)	3Q 2009 (10 - 12/2009)	4Q 2009 (1 - 3/2010)	Full-year Result	1Q 2010 (4 - 6/2010)	2Q 2010 (7 - 9/2010)	3Q 2010 (10 - 12/2010)	4Q 2010 (1 - 3/2011)	Full-year Result
Net cash provided by (used in) operating activities							16,425	14,599	13,358	52,002
Net cash provided by (used in) investing activities							-14,502	-7,922	-11,685	-45,848
Net cash provided by (used in) financing activities							-20,456	-13,459	-22,070	-23,651
Net change in cash and cash equivalents							-18,534	-6,782	-20,397	-17,497
Cash and cash equivalents at end of period							70,576	63,795	43,397	43,397

Quarterly Results for Fiscal Year 3/2011
Supplemental Financial Information (Consolidated)

Balance Sheets (Consolidated)

(in million yen)

	Fiscal Year 3/2010				Fiscal Year 3/2011			
	1Q 2009 (6/2009)	2Q 2009 (9/2009)	3Q 2009 (12/2009)	4Q 2009 (3/2010)	1Q 2010 (6/2010)	2Q 2010 (9/2010)	3Q 2010 (12/2010)	4Q 2010 (3/2011) After merger / Non-Consolidated
Cash and cash deposit						73,968	64,978	47,080
Other current assets						77,245	78,233	77,357
Total current assets						151,213	143,211	124,438
Fixed Assets						220,662	221,361	228,147
TOTAL ASSETS						371,887	364,582	352,952
Current portion of long-term debt						100,617	101,751	49,486
Other current liabilities						25,132	26,857	29,923
Total current liabilities						125,749	128,608	79,409
Long-term debt						176,059	163,333	200,206
Other long-term liabilities						309	309	311
Total long-term liabilities						176,368	163,642	200,517
TOTAL LIABILITIES						302,118	292,249	279,926
Common stock and capital surplus						186,829	184,831	67,712
Retained earnings						-114,208	-112,473	5,325
Treasury stock						-2,821	-	-
Total shareholders' equity						69,799	72,359	73,026
TOTAL NET ASSETS						69,770	72,332	73,026
Gross debt						276,677	265,083	249,692
Net debt						202,709	200,106	202,612
Net debt/net asset ratio						2.9x	2.8x	2.8x
Net debt/EBITDA ratio						3.4x	3.3 x	3.1x

Note 1: We have inclueded non-consolidated balance sheet as of 3/31/2011 for conparative purpose.

Note 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-twelve-month (LTM).

Quarterly Results for Fiscal Year 3/2011
Supplemental Financial Information (eAccess)

Quarterly Trend of Profit & Loss Statements (eAccess)

	Fiscal Year 3/2010					Fiscal Year 3/2011				
	1Q 2009 (4 - 6/2009)	2Q 2009 (7 - 9/2009)	3Q 2009 (10 - 12/2009)	4Q 2009 (1 - 3/2010)	Full-year Result	1Q 2010 (4 - 6/2010)	2Q 2010 (7 - 9/2010)	3Q 2010 (10 - 12/2010)	4Q 2010 (1 - 3/2011)	Full-year Result
Revenue	15,533	21,248	20,335	19,913	77,029	19,080	17,786	17,033	17,007	70,906
Network (mainly ADSL)	12,552	18,290	17,450	16,909	65,201	16,157	15,598	14,905	14,301	60,961
Device	2,981	2,958	2,884	3,004	11,828	2,923	2,189	2,129	2,705	9,945
Cost of revenue	8,705	12,219	11,977	12,508	45,409	11,451	10,611	10,314	10,456	42,832
Devices and related tools sold	2,667	2,602	2,501	2,843	10,614	2,653	1,961	1,923	2,372	8,908
Salaries and benefits	148	130	125	126	529	133	131	132	130	526
Outsourcing	188	539	562	518	1,807	379	394	375	362	1,511
Depreciation and amortization	855	1,518	1,512	1,521	5,407	1,496	1,497	1,480	1,423	5,896
Network	2,883	5,229	5,172	5,411	18,695	4,805	4,740	4,585	4,399	18,529
Modem rental	1,807	2,015	1,918	1,904	7,644	1,799	1,706	1,624	1,580	6,710
Others	157	185	187	184	713	186	181	194	190	751
Gross profit	6,828	9,029	8,358	7,405	31,621	7,629	7,176	6,719	6,550	28,075
Gross margin (%)	44.0%	42.5%	41.1%	37.2%	41.0%	40.0%	40.3%	39%	38.5%	39.6%
Network (mainly ADSL)	6,531	8,690	7,991	7,069	30,282	7,366	6,955	6,523	6,228	27,072
Device	297	339	367	336	1,339	263	221	197	322	1,002
Selling, general and administrative	3,523	3,678	3,140	3,885	14,226	3,177	2,565	2,454	2,465	10,662
Advertising and sales promotion	1,432	1,214	822	1,595	5,063	1,092	583	581	604	2,860
Salaries and benefits	439	506	497	590	2,032	477	424	428	419	1,748
Outsourcing	840	879	858	812	3,388	782	667	592	552	2,593
Depreciation and amortization	137	310	300	263	1,011	245	230	221	194	890
Other S,G&A expense	675	769	663	625	2,732	580	661	633	697	2,570
Operating profit	3,305	5,351	5,218	3,520	17,395	4,452	4,611	4,265	4,085	17,413
Operating margin (%)	21.3%	25.2%	25.7%	17.7%	22.6%	23.3%	25.9%	25.0%	24.0%	24.6%
Network (mainly ADSL)	3,180	5,222	5,046	3,336	16,784	4,354	4,579	4,291	3,973	17,197
Device	126	129	172	184	611	99	31	-26	112	216
Other income	36	26	46	46	154	20	19	13	10	63
Other expenses	599	647	603	672	2,521	388	398	426	456	1,669
Recurring Profit	2,742	4,730	4,661	2,894	15,027	4,084	4,232	3,852	3,639	15,807
Recurring margin (%)	17.7%	22.3%	22.9%	14.5%	19.5%	21.4%	23.8%	22.6%	21.4%	22.3%
Non-recurring profit	1,415	125	1	43	1,584	1	1	13	-2	13
Non-recurring loss	9	215	41	373	638	66	24	56	50,571	50,718
Income/(loss) before income taxes	4,148	4,640	4,621	2,564	15,973	4,019	4,209	3,809	-46,934	-34,898
Income taxes	1,148	1,910	1,864	1,036	5,957	1,657	1,715	1,552	-21,593	-16,670
Net income	3,000	2,730	2,757	1,528	10,015	2,362	2,494	2,257	-25,340	-18,228
Net margin (%)	19.3%	12.8%	13.6%	7.7%	13.0%	12.4%	14.0%	13.2%	-149.0%	-25.7%
EBITDA	4,305	7,187	7,038	5,315	23,844	6,203	6,348	5,976	5,713	24,240
EBITDA margin (%)	27.7%	33.8%	34.6%	26.7%	31.0%	32.5%	35.7%	35.1%	33.6%	34.2%
Network (mainly ADSL)	4,170	7,048	6,856	5,118	23,191	6,095	6,307	5,991	5,589	23,982
Device	135	139	182	197	654	108	41	-15	124	258
Capital expenditures	879	1,040	662	1,266	3,847	775	636	461	450	2,322
Network (mainly ADSL)	879	1,027	662	1,219	3,787	768	635	460	450	2,313
Device	0	13	0	47	60	8	1	0	0	9
Depreciation and amortization	999	1,836	1,820	1,794	6,450	1,751	1,737	1,711	1,628	6,827
Network (mainly ADSL)	990	1,826	1,810	1,782	6,407	1,741	1,727	1,700	1,616	6,785
Device	10	10	10	12	43	10	10	11	12	42
R&D expenses	109	134	126	69	438	95	108	144	119	465
ADSL accumulated total subscribers (thousands)	2,497	2,439	2,364	2,285	2,285	2,204	2,118	2,023	1,928	1,928
ISP accumlated total subscribers (thousands)	155	148	141	134	134	126	121	116	111	111
ADSL ARPU (yen/month)	2,032	2,022	2,008	1,995	2,015	1,973	1,966	1,953	1,949	1,961
ADSL monthly churn rate (%)	2.02%	1.67%	1.82%	2.07%	1.90%	2.12%	1.91%	2.03%	2.08%	2.03%
ADSL SAC (yen)	9,000	9,000	7,000	11,000	9,000	8,000	8,000	7,000	7,000	8,000

Note 1: eAccess completed the merger with ACCA Networks on 6/25/2009.

Note 2: EBITDA = Operational Profit + Depreciation.

Note 3: eAccesss completed the merger with EMOBILE on 3/31/2011.

Quarterly Results for Fiscal Year 3/2011
Supplemental Financial Information (eAccess)

Balance Sheets (eAccess)

(in million yen)

	Fiscal Year 3/2010				Fiscal Year 3/2011			
	1Q 2009 (6/2009)	2Q 2009 (9/2009)	3Q 2009 (12/2009)	4Q 2009 (3/2010)	1Q 2010 (6/2010)	2Q 2010 (9/2010)	3Q 2010 (12/2010)	4Q 2010 (3/2011) After Merger
Cash and cash deposit	56,954	57,049	67,536	25,458	12,475	13,909	15,986	47,080
Other current assets	15,929	15,895	20,104	19,458	15,866	18,330	22,757	77,357
Total current assets	72,883	72,944	87,640	44,916	28,341	32,239	38,743	124,438
Fixed Assets	80,393	82,519	84,562	85,243	101,694	144,251	142,489	228,147
TOTAL ASSETS	153,334	155,591	172,627	130,584	130,438	176,883	181,622	352,952
Current portion of long-term debt	62,533	54,679	51,252	7,322	13,802	13,872	14,353	49,486
Other current liabilities	10,532	13,275	20,174	16,792	10,528	17,311	17,319	29,923
Total current liabilities	73,065	67,954	71,425	24,114	24,329	31,184	31,672	79,409
Long-term debt	27,792	32,471	43,416	47,731	45,857	46,304	48,753	200,206
Other long-term liabilities	91	1,036	1,640	1,844	1,981	1,975	2,215	311
Total long-term liabilities	27,883	33,507	45,057	49,575	47,838	48,279	50,968	200,517
TOTAL LIABILITIES	100,948	101,461	116,482	73,689	72,167	79,463	82,640	279,926
Common stock and capital surplus	27,595	27,468	27,472	27,474	27,526	69,689	67,691	67,712
Retained earnings	25,078	26,918	28,763	29,381	30,832	30,670	31,404	5,325
Treasury stock	-	-	-	-	-	-2,821	-	-
Total shareholders' equity	52,673	54,385	56,236	56,855	58,358	97,537	99,095	73,037
TOTAL NET ASSETS	52,386	54,130	56,145	56,895	58,271	97,421	98,982	73,026
Gross debt	90,325	87,150	94,668	55,053	59,659	60,176	63,106	249,692
Net debt	33,371	30,101	27,132	29,595	47,184	46,267	47,120	202,612
Net debt/net asset ratio	0.6x	0.6x	0.5x	0.5x	0.8x	0.5x	0.5x	na
Net debt/EBITDA ratio	1.8x	1.4x	1.2x	1.2x	1.8x	1.9x	2.0x	na

Note 1: eAccesss completed the merger with EMOBILE on 3/31/2011.

Quarterly Results for Fiscal Year 3/2011
Supplemental Financial Information (EMOBILE)

Balance Sheets (EMOBILE)

(in million yen)

	Fiscal Year 3/2010					Fiscal Year 3/2011				
	1Q 2009 (4 - 6/2009)	2Q 2009 (7 - 9/2009)	3Q 2009 (10 - 12/2009)	4Q 2009 (1 - 3/2010)	Full-year Result	1Q 2010 (4 - 6/2010)	2Q 2010 (7 - 9/2010)	3Q 2010 (10 - 12/2010)	4Q 2010 (1 - 3/2011)	Full-year Result
Revenue	23,491	29,179	28,597	32,338	113,605	34,900	34,499	35,921	37,317	142,637
Service revenue	16,540	18,852	20,767	24,177	80,336	26,014	26,764	27,325	27,864	107,968
Terminal revenue	6,951	10,327	7,830	8,161	33,269	8,886	7,735	8,596	9,452	34,669
Cost of revenue	12,512	16,798	12,866	14,871	57,047	13,872	13,446	12,898	22,924	63,140
Gross profit	10,978	12,381	15,731	17,468	56,558	21,027	21,053	23,023	14,393	79,496
Gross margin (%)	46.7%	42.4%	55.0%	54.0%	49.8%	60.3%	61.0%	64.1%	38.6%	55.7%
Selling, general and administrative	15,455	16,613	14,023	16,559	62,650	18,706	19,326	19,748	19,083	76,863
Operating profit/(loss)	-4,476	-4,231	1,707	908	-6,092	2,321	1,728	3,275	-4,691	2,633
Operating margin (%)	-19.1%	-14.5%	6.0%	2.8%	-5.4%	6.7%	5.0%	9.1%	-12.6%	1.8%
Other income	44	17	-12	41	90	8	18	7	17	50
Other expenses	2,067	2,201	2,192	2,312	8,772	2,428	2,163	1,950	1,896	8,437
Recurring loss	-6,499	-6,415	-497	-1,363	-14,774	-99	-418	1,332	-6,570	-5,754
Recurring margin (%)	-27.7%	-22.0%	-1.7%	-4.2%	-13.0%	-0.3%	-1.2%	3.7%	0	-4.0%
Non-recurring profit	-	-	-	-	-	-	-	-	-	-
Non-recurring loss	19	26	10	43	99	109	22	23	4,668	4,822
Income/(loss) before income taxes	-6,518	-6,441	-507	-1,406	-14,873	-208	-439	1,308	-11,238	-10,576
Income taxes	-10	4	4	4	3	11	8	6	6	31
Net income/(loss)	-6,509	-6,445	-512	-1,411	-14,876	-219	-447	1,302	-11,244	-10,608
EBITDA	746	1,201	7,421	8,844	18,212	9,070	8,600	10,405	12,299	40,374
EBITDA margin (%)	3.2%	4.1%	25.9%	27.3%	16.0%	26.0%	24.9%	29.0%	33.0%	28.3%
Capital expenditures	4,572	12,295	15,465	21,061	53,393	8,211	5,564	5,673	20,859	40,307
Depreciation and amortization	5,222	5,433	5,714	6,406	22,775	6,749	6,872	7,130	7,481	28,232
R&D expenses	20	5	1	0	25	1	0	0	0	1
Net increase subscribers (thousands)	262	225	223	231	942	185	204	183	194	766
Accumulated total subscribers (thousands)	1,672	1,898	2,121	2,352	2,352	2,537	2,741	2,924	3,118	3,118
ARPU (yen/month)	3,330	3,310	3,260	3,450	3,340	3,400	3,250	3,100	2,950	3,160
Monthly churn rate (%)	0.97%	1.10%	0.92%	1.18%	1.05%	1.37%	1.29%	1.40%	1.45%	1.38%
SAC (yen)	30,000	30,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000

Note 1: EBITDA = Operational Profit + Depreciation + Device valuation losses.

Note 2: Cost of revenue includes device valuation losses of 1,529 million yen in 4Q and FY3/2010 and 9,508 million yen in 4Q and FY3/2011.

Statements of Cash Flows (EMOBILE)

(in million yen)

	Fiscal Year 3/2010					Fiscal Year 3/2011				
	1Q 2009 (4 - 6/2009)	2Q 2009 (7 - 9/2009)	3Q 2009 (10 - 12/2009)	4Q 2009 (1 - 3/2010)	Full-year Result	1Q 2010 (4 - 6/2010)	2Q 2010 (7 - 9/2010)	3Q 2010 (10 - 12/2010)	4Q 2010 (1 - 3/2011)	Full-year Result
Net cash provided by (used in) operating activities	-8,686	-3,315	-1,360	8,436	-4,925	8,503	8,526	12,518	7,161	
Net cash provided by (used in) investing activities	-7,447	-15,549	-8,664	-11,143	-42,803	-11,739	-13,723	-5,798	-6,820	
Net cash provided by (used in) financing activities	28,601	-200	-3	1,223	29,621	31,451	-14,771	-15,287	-20,871	
Net change in cash and cash equivalents	12,467	-19,063	-10,027	-1,484	-18,107	28,215	-19,968	-8,567	-20,531	
Cash and cash equivalents at end of period	79,885	60,822	50,795	49,311	49,311	77,527	57,558	48,992	28,461	

Quarterly Results for Fiscal Year 3/2011
Supplemental Financial Information (EMOBILE)

Balance Sheets (EMOBILE)

(in million yen)

	Fiscal Year 3/2010				Fiscal Year 3/2011			
	1Q 2009 (6/2009)	2Q 2009 (9/2009)	3Q 2009 (12/2009)	4Q 2009 (3/2010)	1Q 2010 (6/2010)	2Q 2010 (9/2010)	3Q 2010 (12/2010)	4Q 2010 (3/2011)
Cash and cash deposit	79,885	60,822	50,795	49,311	77,527	60,058	48,992	
Other current assets	61,180	66,221	73,900	72,572	69,952	68,871	70,241	
Total current assets	141,065	127,043	124,695	121,883	147,479	128,929	119,233	
Fixed Assets	154,925	164,073	173,234	186,755	187,884	188,171	188,515	
TOTAL ASSETS	295,990	291,116	297,929	308,638	335,363	317,100	307,747	
Current portion of long-term debt	38,564	53,886	69,110	84,212	85,721	86,545	87,198	
Other current liabilities	19,150	15,733	18,047	27,749	22,305	18,418	22,826	
Total current liabilities	57,715	69,619	87,156	111,962	108,026	104,963	110,024	
Long-term debt	202,424	188,645	174,543	159,921	145,095	129,755	114,579	
Other long-term liabilities	0	3,447	7,336	9,271	9,976	10,564	10,024	
Total long-term liabilities	202,424	192,092	181,879	169,192	155,071	140,319	124,603	
TOTAL LIABILITIES	260,138	261,711	269,035	281,154	263,097	245,282	234,627	
Common stock and capital surplus	143,209	143,209	143,209	143,209	188,209	188,209	188,209	
Retained earnings	-107,357	-113,803	-114,315	-115,724	-115,943	-116,391	-115,088	
Total shareholders' equity	35,851	29,406	28,894	27,484	72,266	71,818	73,120	
TOTAL NET ASSETS	35,851	29,406	28,894	27,484	72,266	71,818	73,120	
Gross debt	240,988	242,530	243,653	244,133	230,816	216,300	201,777	
Net debt	161,103	181,709	192,857	194,822	153,289	156,242	152,786	
Net deb/net asset ratio	4.5x	6.2x	6.7x	7.1x	2.1x	2.2x	2.1x	
Net debt/EBITDA ratio	na	na	27.9x	10.7x	5.8x	4.6x	4.1x	

Note 1: eAccesss completed the merger with EMOBILE on 3/31/2011.