

eAccess Ltd. (9427)

**1st Quarter Results for Fiscal Year Ending 3/2012
(4/2011 ~ 6/2011)**



August 4, 2011

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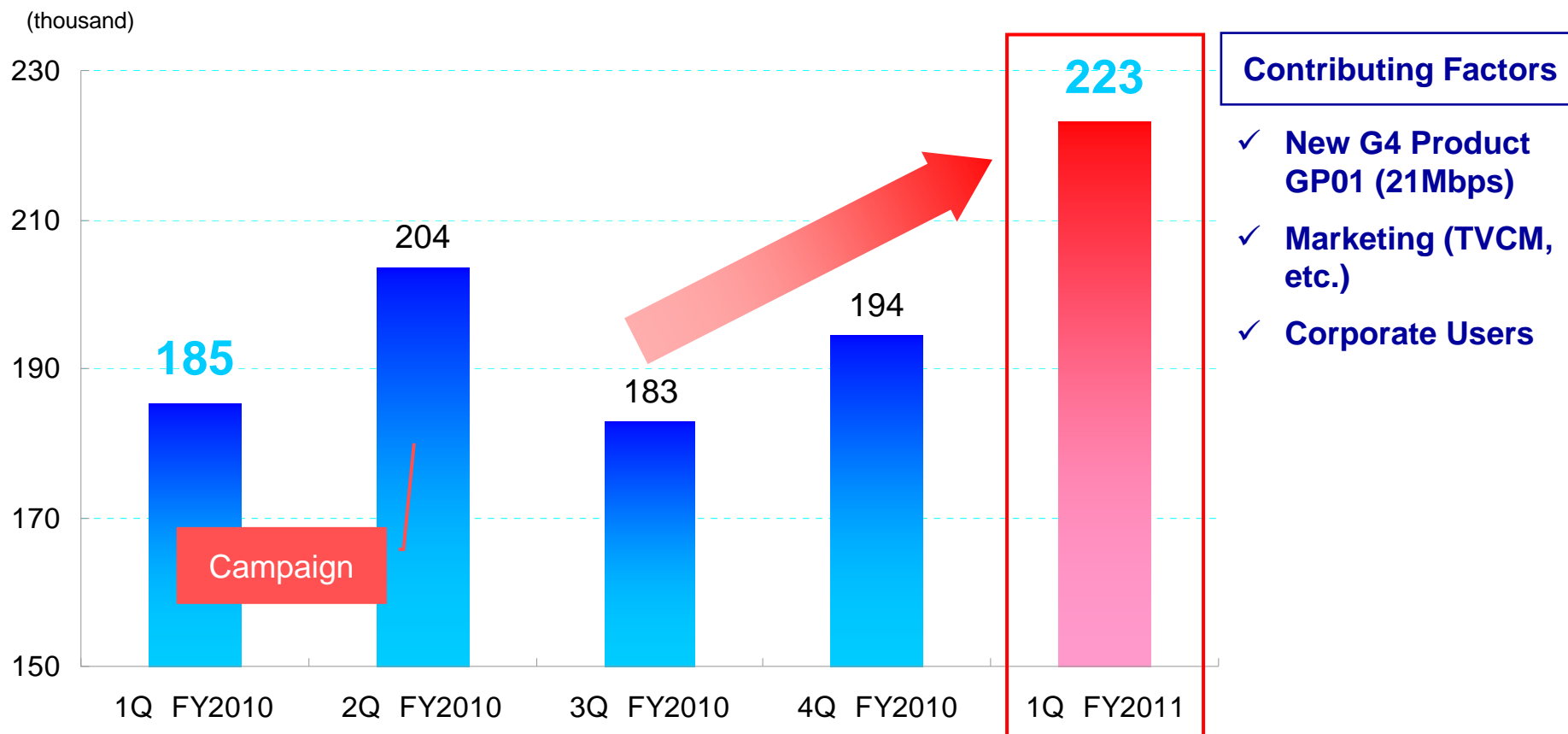
■ Higher than expected net addition

■ Record high in 1Q earnings

Recovery in Net Addition of Mobile Subscribers

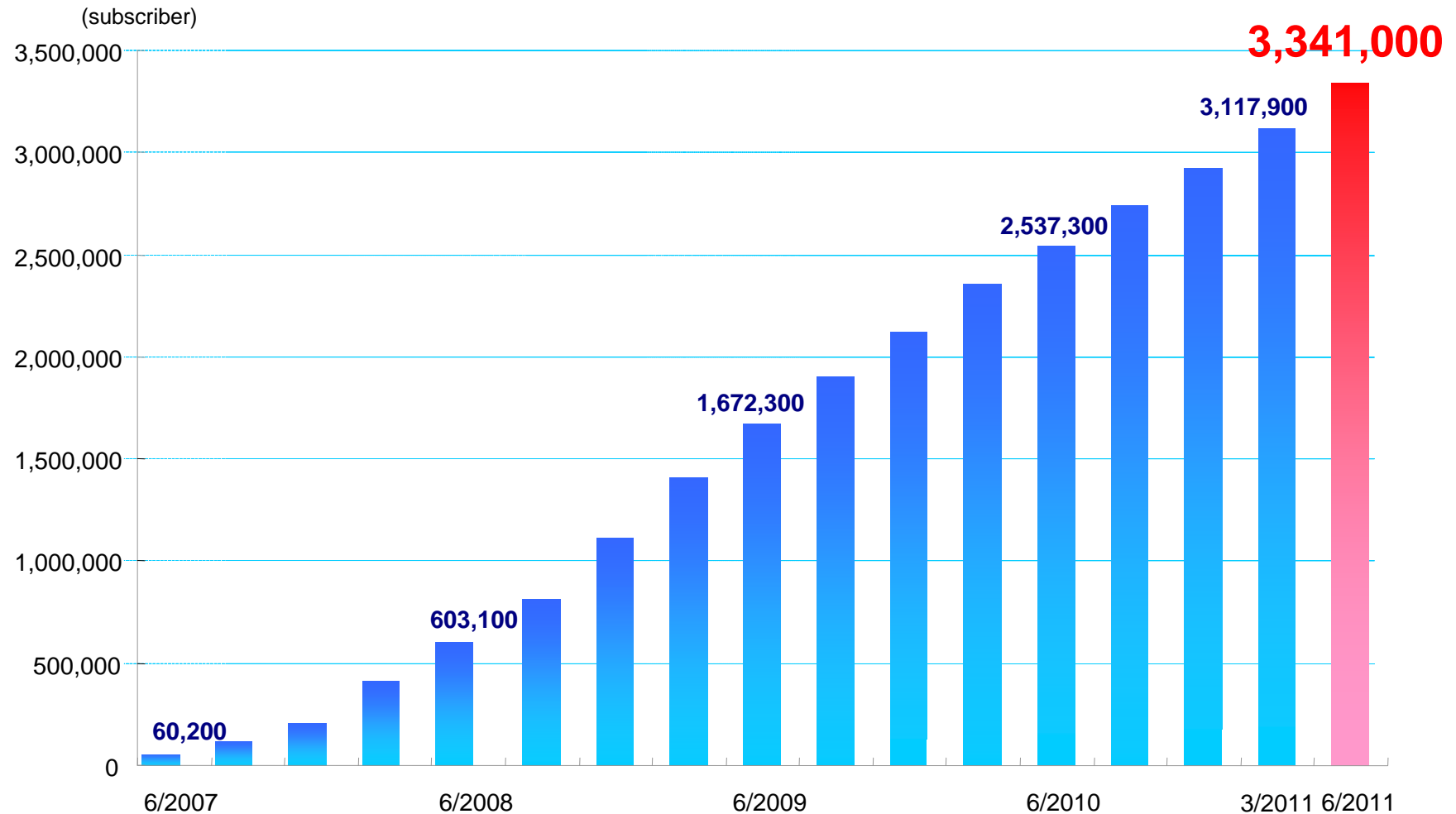
- EMOBILE added 223 thousand subscribers in 1Q FY2011, up 20% YoY
- Expect gradual recovery in quarterly net addition

Mobile Subscribers Net Addition



Mobile Subscribers Trend

■ Accumulated subscribers reached 3,341,000 as of June 2011, up 32% YoY



FY3/2012 1Q Financial Results (Pro-forma Comparison)

- Achieved all time record high in 1Q earnings (EBITDA/Operating Profit/Net Income)
- Mobile EBITDA increased by 16% YoY which offset decline in Fixed Line EBITDA
- EBITDA margin increased YoY, and Net Income increased by 70% YoY

(billion yen)	FY3/2011 1Q (Pro-forma)	FY3/2012 1Q	YoY	Full Year Forecast	Progress
Revenue	49.0	47.6	-3%	200.0	24%
Mobile	34.0	35.5	+4%	158.0	22%
Fixed Line	15.0	12.1	-19%	42.0	29%
EBITDA	15.3	15.7	+3%	67.0	23%
Mobile	9.1	10.5	+16%	51.3	20%
Fixed Line	6.2	5.2	-16%	15.7	33%
EBITDA Margin	31%	33%	+2pts	34%	-
Mobile	27%	30%	+3pts	32%	-
Fixed Line	41%	43%	+2pts	37%	-
Operating Profit	6.6	6.5	-1%	30.0	22%
Recurring Profit	3.7	3.2	-13%	17.0	19%
Net Income	1.9	3.2	+70%	17.0	19%
CAPEX	8.8	8.0	-8%	39.0	21%

* Operating profit in 1Q FY3/2011 was ¥4.5 billion for the accounting base

Cash Flows

■ Record high quarterly Net Free Cash Flow

	FY3/2011			FY3/2012
	2Q (7~9/2010)	3Q (10~12/2010)	4Q (1~3/2011)	1Q (4~6/2011)
(billion yen)				
EBITDA	14.9	16.4	17.9	15.7
Capex	-6.1	- 6.1	- 20.5	-8.0
Operating FCF	8.8	10.3	-2.6	7.7
Interest	-1.9	-2.4	-1.8	-2.0
Tax	0.0	-2.5	0.0	0.2
Dividend *	-2.7	-0.8	-0.7	-0.7
Net FCF	4.3	4.6	-5.1	5.2

* Plan to pay quarterly dividend of 200 yen per share for FY3/2012 (consistent from 2Q FY3/2011)

Balance Sheets

- QoQ net debt/EBITDA (leverage) ratio at 6/2011 remained flat
- Expect leverage ratio to continue to improve

	FY3/2011			FY3/2012
	9/2010	12/2010	3/2011	6/2011
<i>(billion yen)</i>				
Cash and cash deposit	74.0	65.0	47.1	38.1
Debt	276.7	265.1	249.7	242.7
Net debt	202.7	200.1	202.6	204.6
Net assets	69.8	72.3	73.0	74.3
Total assets	371.9	364.6	353.0	340.2
Net debt/net assets ratio	2.91	2.77	2.77	2.75
EBITDA (last 12 months)	58.8	60.7	64.5	64.9
Net debt/EBITDA ratio	3.45	3.30	3.14	3.15

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Trend Going Forward

- **EMOBILE G4:**
Strengthen high speed (42Mbps) product line-up
- **Smartphone:**
Focus on tethering and flat-rate voice marketing campaign
- **FMC service:**
Continue to expand FMC customer base

Key Performance Indicators

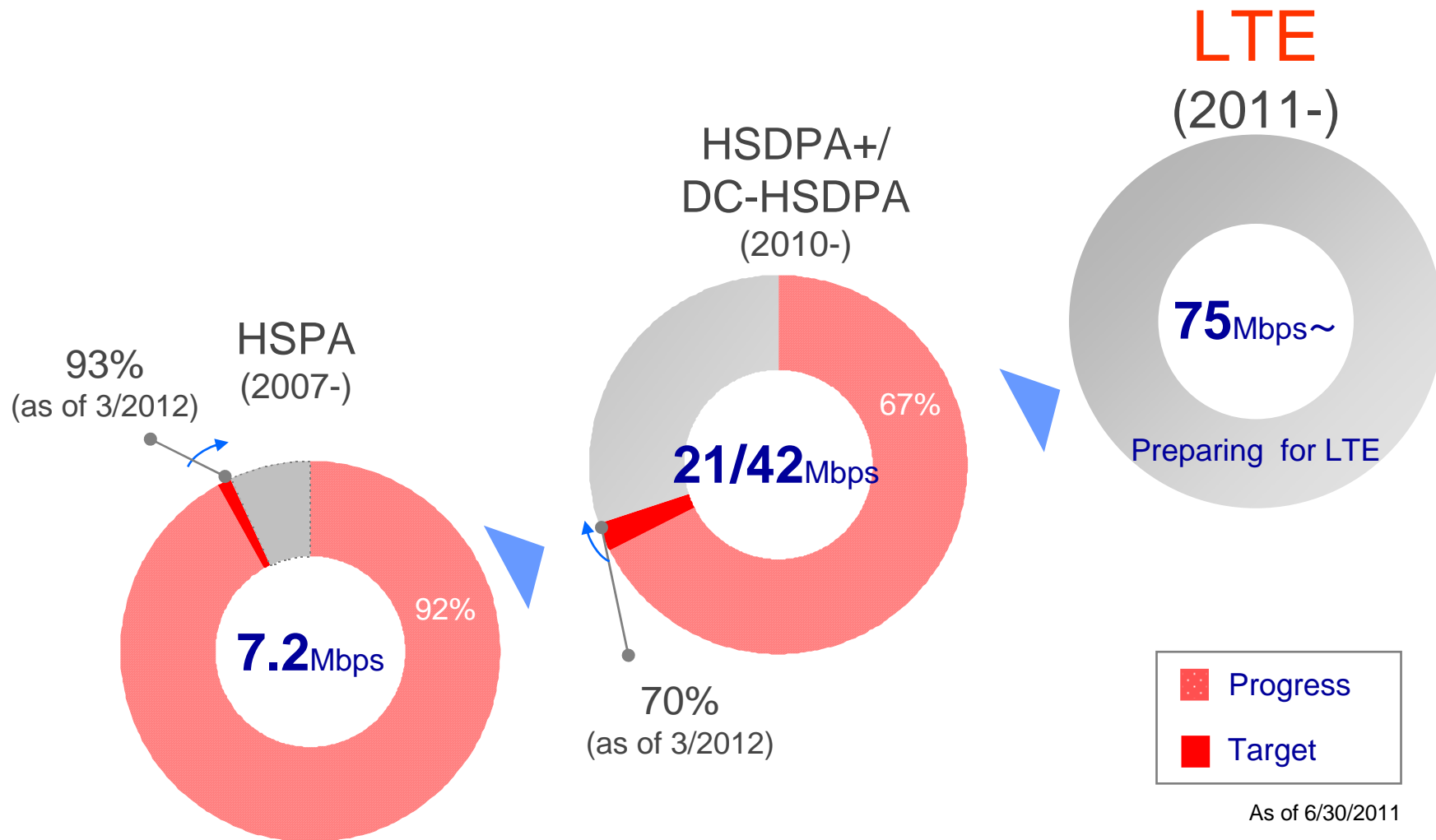
■ No revision in annual forecast

		Results					Full Year Forecast	
		FY3/2011 1Q	FY3/2011 2Q	FY3/2011 3Q	FY3/2011 4Q	FY3/2012 1Q	FY3/2012	
Mobile	Subscribers	2,537,300	2,740,800	2,923,600	3,117,900	3,341,000	3,850,000	↗
	ARPU (yen)	3,400	3,250	3,100	2,950	2,860	2,900	↘
	Monthly churn rate	1.37%	1.29%	1.40%	1.45%	1.50%	1.45%	↗
	SAC (yen) *1	25,000	25,000	25,000	25,000	20,000	22,000	↘
	SAC/ARPU (month)	7.4	7.7	8.1	8.5	6.8	7.6	→
ADSL	Subscribers	2,204,000	2,118,000	2,023,000	1,928,000	1,839,000	1,600,000	—
	ARPU (yen)	1,973	1,966	1,953	1,949	2,009	1,900	—
	Monthly churn rate	2.11%	1.91%	2.03%	2.08%	2.04%	2.10%	—
	SAC (yen) *1	8,000	8,000	7,000	7,000	7,500	8,000	—
	SAC/ARPU (Month)	4.1	4.1	3.6	3.6	3.7	4.2	—

*1: SAC stands for per subscriber acquisition cost.

EMOBILE G4 Network Expansion

■ Expanding service coverage of 42Mbps service to 44.6% , 21Mbps service to 67.4%, and ~7.2Mbps service to 92.1% as of June 2011



New EMOBILE G4 Products, Smartphone and Marketing Campaign



Pocket WiFi (GP02)

PocketWiFi



Fastest terminal among the Pocket WiFi series

- EMOBILE G4 (DC-HSDPA technology)
- Maximum downlink speed of 42Mbps
Maximum uplink speed of 5.8Mbps
- Longer battery life
 - approx. 4.5 hours for usage time
 - approx. 140 hours for stand-by
- Weight: 110g

Monthly Charge: **¥3,880**

DC-HSDPA
42
Mbps

HSUPA
5.8
Mbps

連続通信
約**4.5**
時間

microSD™
microSDHC™
カードスロット

GALAPAGOS (A01SH)

Japan's first Android 3.2 tablet



Price to be announced

- Equipped with Dual Core processor, NVIDIA®Tegra™ 2
- 7-inch TFT display
- Light-weighted with only 389g
- Rear camera 2,592 x 1,944 pixel
Front camera 1,600 x 1,200 pixel
- Able to remotely control AQUOS Blue Ray with “AQUOS Remote”
- MS Office apps available with “Documents To Go”
- Various applications preinstalled

Android™ 3.2	重さ 389 グラム	約 500 万画素	約 7 インチ WSVGA	microSD™ microSDHC™ カードスロット	Wi-Fi
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Pocket WiFi and SHARP Galapagos

PocketWiFi



GALAPAGOS

**Long battery life
Combination
7-hour**



PocketWiFi(GP01)
Long-life battery

**High speed
combination
42Mbps**



**Pocket WiFi
(GP02)**

**Light-weighted
combination
104g**



**Pocket WiFi S II
(S41HW)**

First Android model equipped with a numeric keypad

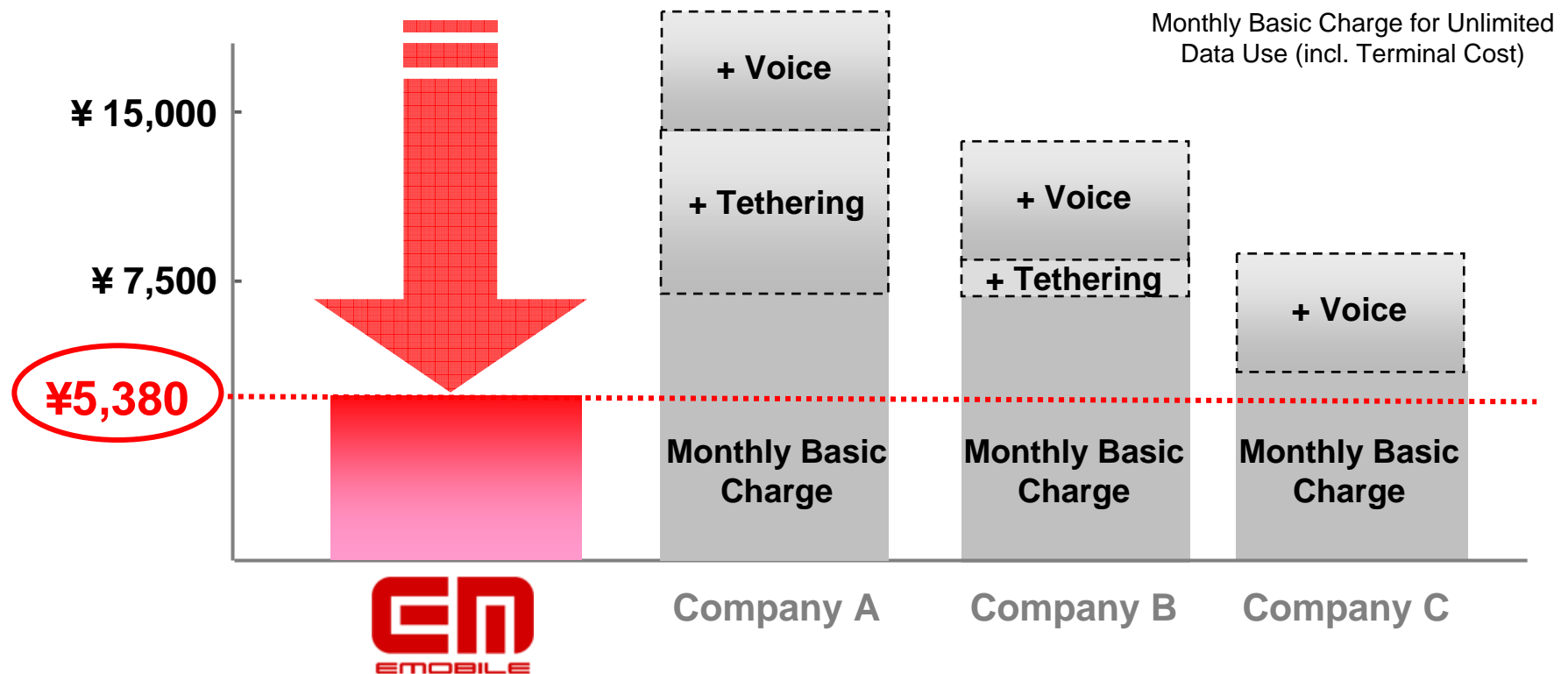


- 3-inch High Definition display (WVGA)
- Equipped with infrared communication function
- One-touch tethering function



Price Leader in Smartphone

- EMOBILE offers competitive smartphone monthly charge
- EMOBILE's **Tethering** function and **Voice Flat Rate** are the key differentiators against competitors

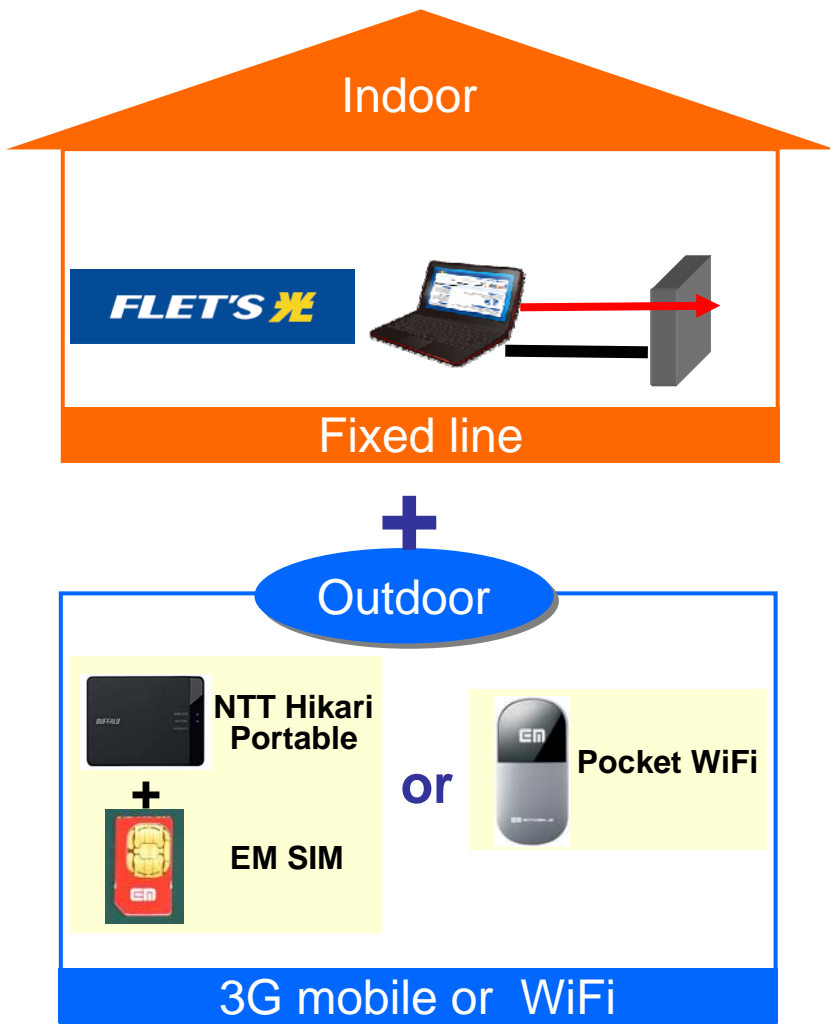


Tethering	¥ 0	Available with additional charge	Available with additional charge	Not Available
Voice Flat Rate	¥ 0 ^{*1}	Not Available	Not Available	Not Available

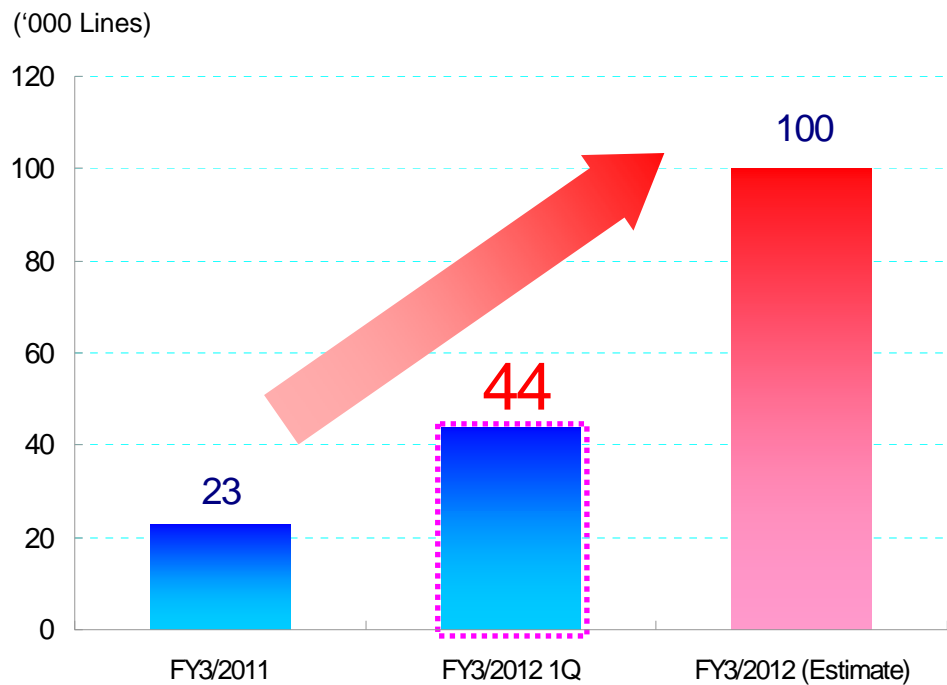
*1: Campaign price

FMC Service

- FMC services continue to grow
- Launched new FMC service with K-Opticom from August 1, 2011



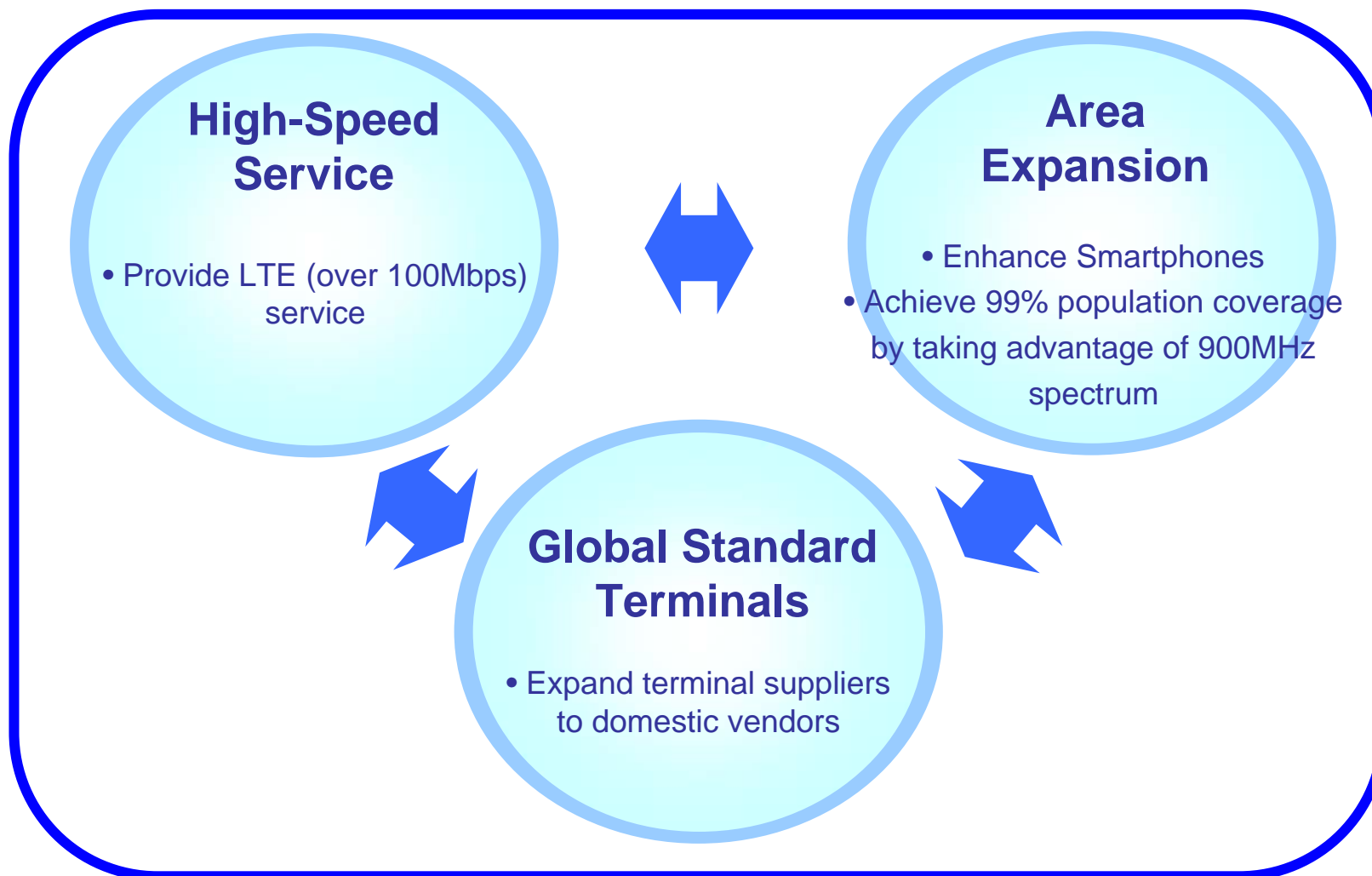
1Q Results (accumulated)



- **New Spectrum Allocation 【900MHz】**

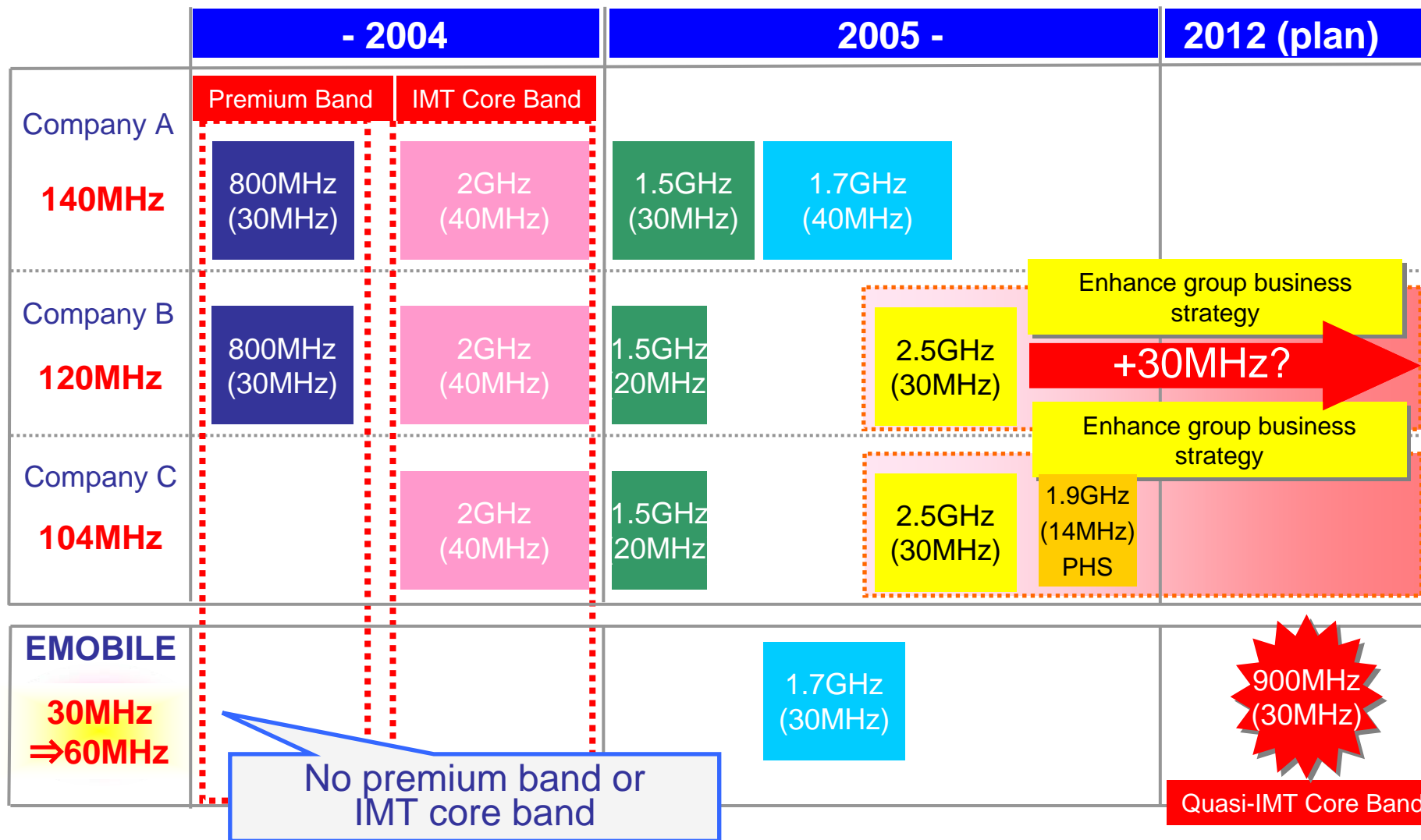
Future Service Strategies

- Need 900MHz and 1.7GHz spectrums to promote key service strategies



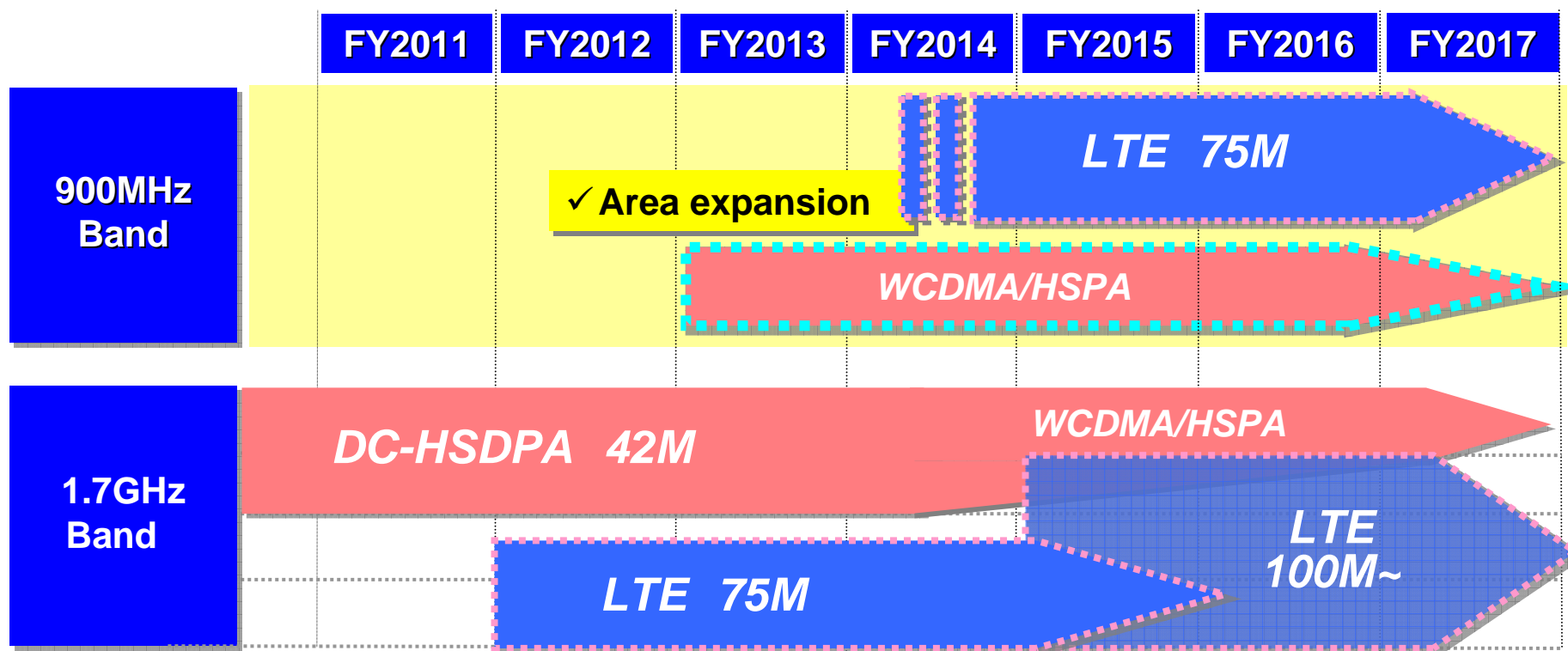
Current Spectrum Allocation

■ Need frequency spectrums equivalent to 3 other incumbents



Network Construction Roll Out

- Planning for rapid expansion of LTE and 100M~ service area on a nationwide scale



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