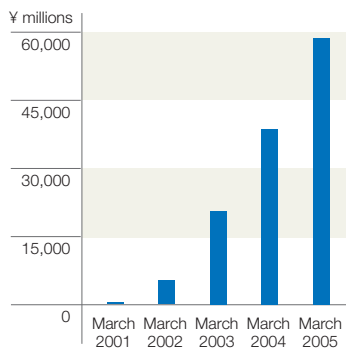




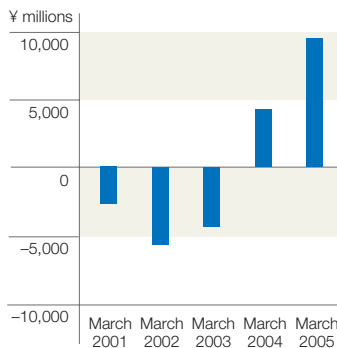
Financial Highlights

eAccess reported strong revenue and profit growth in the fiscal year ended March 31, 2005, while expanding its subscriber base.

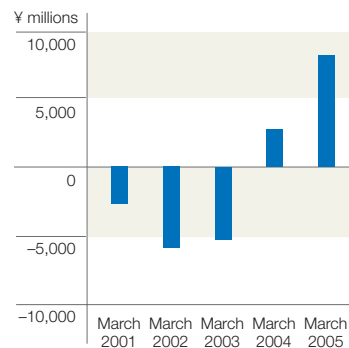
■ Revenue



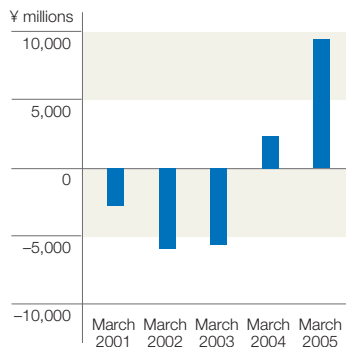
■ Operating Profit (Loss)



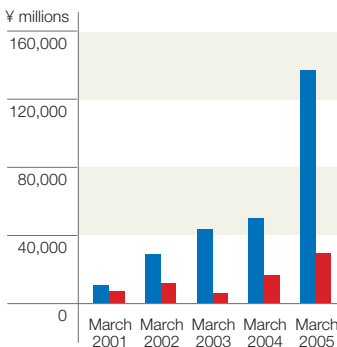
■ Recurring Profit (Loss)



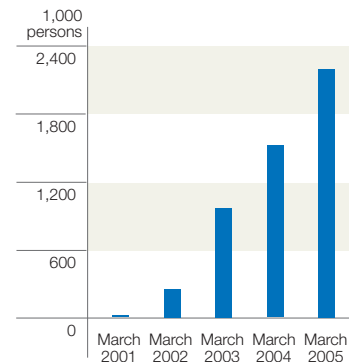
■ Net Income (Loss)



■ Total Assets
■ Total Shareholders' Equity



■ Number of eAccess Accumulated Subscribers*



* Includes AOL Internet service subscribers

eAccess will add mobile services to its business domain in order to further raise its corporate value.



*Sachio Semmoto (center)
Representative Director and CEO*

*Haruo Taneno (right)
Representative Director and COO*

*Eric Gan (left)
Representative Director and CFO*

Dear shareholders,

Since our establishment in 1999, we have adhered to our corporate philosophy of providing “a new and more efficient broadband life for all.” By pursuing our corporate mission of promoting competition and deregulation in the telecommunication market, we have developed highly competitive broadband services, centering on ADSL.

Amid Japan’s rapid emergence as a world leader in broadband, eAccess continues to achieve steady business growth, having increased its total number of subscribers to 2.16 million.

In the previous fiscal year ended March 31, 2004, eAccess posted a full-year net profit and eliminated its accumulated deficit at a pace unparalleled in the broadband industry. In November 2004, we listed our shares on the First Section of the Tokyo Stock Exchange (TSE), following our listing on the TSE’s Mothers market in October 2003 and just five years after the Company’s establishment.

We sincerely appreciate the cooperation, support, and guidance of all our business partners, associates, and customers, without whom we would not have been able to expand our operational base in such a short period of time. As a result of this strong growth, we declared our first dividend since our establishment. For this fiscal year ended March 31,

2005, we have set the dividend at ¥1,200 per share, including a ¥200 commemorative dividend for the Company’s listing on the First Section of the TSE.

As a means of expanding our operational base “from ADSL to mobile” we are working hard to obtain a license for the 1.7GHz frequency band mobile service. In January 2005, we established eMobile Ltd. to prepare for our mobile business. Our plan is to provide a full range of mobile services as early as possible.

During this dramatically changing business environment, eAccess’ directors and employees stand united in their commitment to further developing the Company’s business and helping it take a giant leap forward.

We thank our shareholders for their ongoing support and cooperation.

June 2005

千本 偉生

Sachio Semmoto
Representative Director and CEO

種野 晴夫

Haruo Taneno
Representative Director and COO

ERIC GAN

Eric Gan
Representative Director and CFO

Japan Has the Fastest and Cheapest Broadband Service in the World

Thanks to healthy competition among companies as a result of deregulation, Japan's domestic ADSL ^(Note 1) services are now the fastest and cheapest in the world, with a high level of customer satisfaction. This has led to a dramatic increase in the number of ADSL subscribers in Japan.

Monthly charge per 100kbps		
Japan		¥10.8
South Korea		¥30.0
Hong Kong		¥152.4
Singapore		¥265.2
USA		¥423.6
Germany		¥530.4
Yen	300	600

(Source: Ministry of Internal Affairs and Communications)

* Charge per 100kbps is calculated based on speed and charges for providing DSL or cable Internet service in each country.

** Exchange rate: US\$1 = ¥120 (as of July 2003)

Significant growth in revenue and profits thanks to a solid increase in ADSL subscribers and the acquisition of AOL Japan's ISP business.

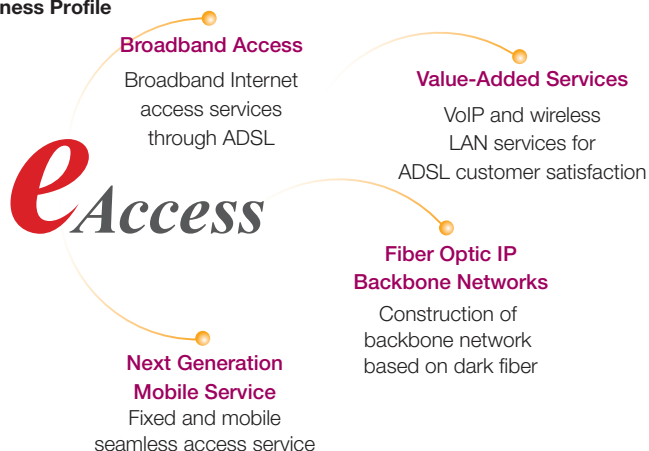
In the fiscal year ended March 31, 2005, we achieved a steady increase in the number of ADSL subscribers, the backbone of the Company's business. We promoted effective sales promotion activities in cooperation with Internet service providers (ISPs) through our direct sales channel using electronic retail stores.

The acquisition of AOL Japan's ISP business in July 2004, together with the growth of broadband services, brought the Company's total number of subscribers to 2.16 million, including 1.85

million ADSL subscribers, as of March 31, 2005, up 45% from the previous year.

Revenue jumped 52%, to ¥57.9 billion, and operating profit surged 125%, to ¥9.3 billion. We also reported an increase in operating free cash flow ^(Note 2) owing to effective utilization of our fiber optic IP backbone network and efficient capital investments. As a result, total cash and deposits exceeded interest-bearing liabilities, effectively making eAccess a cash-positive company. With the benefit of positive earnings, we also further improved our financial position.

Business Profile



Notes: 1. ADSL (asymmetric digital subscriber line) is a popular form of DSL service. "Asymmetric" means that the upstream (PC to Internet) speed is different from the downstream (Internet to PC) speed. With the Company's ADSL 50Mbps ADSL service, for example, the upstream speed is 5 Mbps and the downstream speed is 50Mbps, the latter being equivalent to 781 times faster than the 64kbps offered by ISDN lines.

2. Operating free cash flow = EBITDA - Capital expenditure

ADSL Service Targets Large Customer Base

Demand for ADSL services in Japan is expected to continue to grow, centering on dial-up users. eAccess is working hard to expand its mainstay ADSL business and develop new services that will bring even more benefits to subscribers. In February 2005, we launched our ADSL service for KDDI's "Metal Plus Phone" service. This will broaden the Company's wholesale business, which has previously focused on migrating Internet subscribers from narrowband to broadband. By targeting the telephone service market, we expect to further boost ADSL sales.

In addition to encouraging migration of AOL subscribers to ADSL, eAccess is strengthening its lineup of offerings by providing low-priced services for dial-up subscribers who do not use broadband. With these and other initiatives, eAccess is working hard to raise satisfaction among its wide range of users.

Faster Company Growth through Entry into Mobile Business

Mobile services constitute a new and exciting growth area for eAccess. We are actively developing our mobile services to include not only voice services but also high-speed and large-volume data transmission. We are seeking to obtain a mobile service license by the end of this fiscal year. In January 2005, we established eMobile Ltd., a wholly owned subsidiary, to plan our mobile services business. In May 2005, we began 1.7GHz W-CDMA field trials in the Tokyo area with Lucent Technologies and Fujitsu Ltd.

The Japanese mobile phone market is now worth around ¥8.5 trillion. In this lucrative market, we plan to further accelerate the pace of our growth by creating a new and unique business model.

In March 2005, we held a mobile broadband seminar with Lucent Technologies in order to enhance public perception and knowledge of our mobile business activities. Around 500 individual investors and media representatives attended this highly successful event.

Mobile Broadband Seminar in March 2005



Strengthening Our Financial Position and Returning Profits to Shareholders

In November 2004, eAccess was listed on the First Section of the TSE, just five years after its establishment. This set a new record for the shortest time between the establishment and listing of a company created from the ground up—without receipt of capital through merger, stock split, joint venture, or transformation into subsidiary status. Furthermore, since January 2005 our senior long-term credit has been rated “BBB” by Rating and Investment Information, Inc.

Our listing on the First Section of the TSE and our credit rating were the result of recognition of the Company’s profitability and growth potential, as well as the soundness of its financial position. In March 2005, eAccess issued ¥60 billion unsecured straight bonds, its first such issue, thus further reinforcing its financial position. Total cash and deposits at fiscal year-end exceeded ¥100 billion, a clear indication of eAccess firm financial base.

Maximizing Shareholder Value

Our basic profit appropriation policy recognizes the need to provide shareholders with stable and continuous returns while retaining sufficient earnings to drive future growth and strengthen our business structure. Based on this policy, we declared our first dividend since our inception. This consisted of an annual cash dividend of ¥1,000 per share and an additional commemorative dividend of ¥200 to celebrate our listing on the First Section of the TSE. As a result, our payout ratio was 16.9%, based on full-year net income per share of ¥7,084.09.

Based on its sound financial position, eAccess aims to enhance corporate value by growing its current ADSL business while actively investing in its new mobile business, thus providing shareholders with a healthy return. In addition, we are committed to maintaining both soundness and transparency of management by extensively promoting compliance awareness and strengthening our corporate governance system.

eAccess Ltd.

160000

140000

120000

100000

80000

60000

■ 9427.T - Weekly
■ 13-week MA
■ 26-week MA

Senior long-term credit rating

BBB

News & Topics

“eAccess Rights Plan” to Enhance Corporate Value

At the ordinary annual general meeting of shareholders, held on June 22, 2005, our shareholders approved a plan by the Company to implement “eAccess Rights Plan” (the “Rights Plan”)—a trust-type “Corporate Value Enhancement Stock Option” designed to enhance corporate value. It is the first time that a TSE-listed company has adopted this type of plan.

Purpose of the Plan

The purpose of the plan is to enhance corporate value and protect the interests of eAccess shareholders. According to the plan, when an unsolicited buyer initiates an acquisition proposal, sufficient time and information is procured to examine the proposal, thus enabling a result in the best interests of all shareholders. Well over 2,000 companies in the United States have adopted similar plans, although none have needed to activate their plans over the past 20 years. The Rights Plan is recognized as an effective means of protecting and enhancing corporate value.

Does the Plan Give Excessive Protection to Management?

When an acquisition proposal is initiated, the Company’s management does not take part in the examination of the

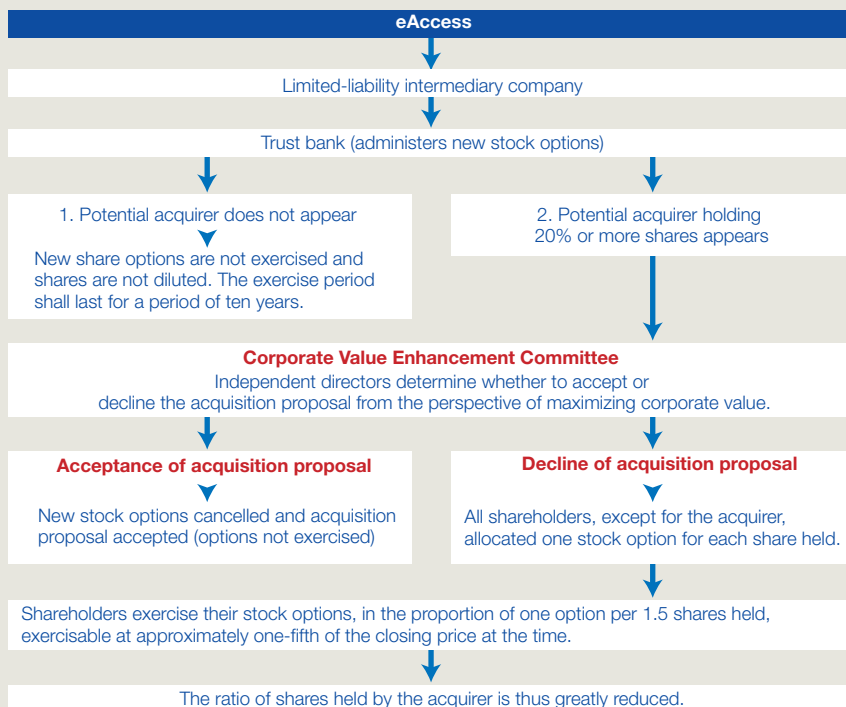
proposal. Rather, our independent Corporate Value Enhancement Committee, consisting solely of independent directors representing shareholders, examines the proposal. The Committee determines whether or not the proposal will maximize shareholders’ interests (corporate value) in the long term.

Will Value for Current Shareholders Be Protected?

The Rights Plan is activated only when an acquisition proposal is declined. When this happens, existing shareholders shall receive stock options with an exercise price of approximately one-fifth of the closing share price at that time.

Therefore, when shareholders exercise these stock options, the value for existing shareholders is protected.

Rights Plan (Corporate Value Enhancement Stock Options)



Based on the solid business base it has built up through ADSL, eAccess is seeking to **enter the mobile market**. Ever since our inception, we have looked to the future by finding ways to accommodate change and growth in our business model and service areas.

Our Growth Strategy

eAccess' Business Model: Japan's Largest ADSL Wholesale Operator

The key to eAccess' profitability is its business model. We were the first company in Japan to advocate a business model for wholesaling ADSL access to ISPs. In addition, we have been promoting the widespread popularity of broadband from our position as the country's No. 1 wholesale operator. As a wholesaler, we provide Internet access to our ISP partners, allowing us to promote our services to their existing dial-up users. This is a highly effective way of attracting customers.

eAccess established~

ADSL wholesale business

Acquisition of AOL Japan's ISP Business by eAccess (July 2004)

eAccess is increasing its number of ADSL subscribers by encouraging AOL users to migrate to broadband. At the same time, our entry to the ISP business has helped us obtain expertise in dealing with end users, which will be valuable when we enter the mobile business in the near future.

FY2004

Entry into ISP business

Services for end-users launched

ADSL Services for "KDDI Metal Plus Phone" Users (February 2005)

With this arrangement, KDDI's Metal Plus Phone service, a high-quality IP telephony service, is connected to eAccess' DSL equipment at a central office. This enables telephone users to access both Metal Plus Phone and our ADSL services, via KDDI's new "Metal Plus Net DION ADSL" service. eAccess can thus augment its Internet user base by targeting fixed-telephone-line users and providing them with its ADSL services.

FY2005

ADSL services for Metal phone customers launched

Expansion of target customers to include fixed-line telephone users

Expansion of target customer base

In line with its corporate mission of providing "a new and more efficient broadband life for all," eAccess plans to expand its offerings to provide fixed and mobile seamless service. eAccess aims to shift its emphasis from the 19 million domestic broadband market to the 87 million mobile users, —a market worth ¥8.5 trillion.

FY2006 (planned)

Entry into mobile business

Expansion of business to include mobile services

eMobile

eAccess has established eMobile, a wholly owned subsidiary, to plan and execute its entry into the mobile business during the current fiscal year. Our aim is to provide a fixed-mobile convergence (FMC) service combining fixed-line broadband access and mobile phones.

From **ADSL** to **Mobile**



January 2005

eMobile Ltd. established

In January 2005, we established eMobile, a wholly owned subsidiary, with the aim of planning and establishing a next-generation mobile service. eMobile plans to develop our mobile business once it has obtained a license to offer mobile services.

May 2005

*Start of field trials in Tokyo
using 1.7GHz W-CDMA band*

Field trials in Tokyo with Lucent Technologies
and Fujitsu

March 2006

*Obtain mobile license
(plan)*

March 2007

*Commence mobile services
(plan)*

eAccess' Service Vision

Innovative

Adoption of latest technology
(such as HSPDA, HSUPA and ALL-IP)

Safe and easy to use

Simple plans with low rates

Enjoyable and creative

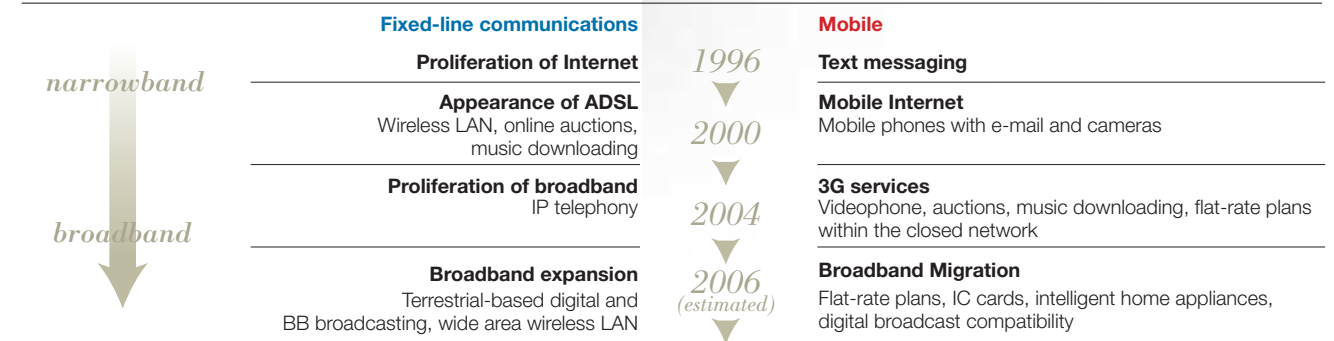
New service concept and business model

Q. Why is eAccess Entering the Mobile Market?

A. We believe that considerable growth potential remains in the Japanese mobile market.

The cost of using a mobile phone in Japan is high compared with other countries, which results in relatively short calls. Furthermore, data transmission using a mobile phone is extremely slow compared with ADSL and other high-speed Internet access services. Transmitting data via mobile phone is also expensive. The broadband market in Japan is now one of the largest in the world. In the United States and Europe, however, broadband services delivering high-speed data transfer are not limited to fixed-lines, but are now also provided using mobile phones and other portable devices. We believe that, with the provision of high-speed and other new services that satisfy customers, Japan can potentially become the preeminent mobile market in the world.

From Narrowband to Broadband; From Fixed to Mobile



Financial Statements

		As of March 31, 2005	As of March 31, 2004			As of March 31, 2005	As of March 31, 2004
Balance Sheets				Liabilities			
¥ millions				Current Liabilities		16,493	18,296
Assets				Trade accounts payable		895	755
Current Assets		111,584	23,732	Current portion of			
Cash and cash deposit		104,770	18,396	long-term debt		1,320	5,453
Accounts receivable		5,674	4,452	Other accounts payable		474	369
Merchandise		47	252	Accrued expenses		6,549	3,599
Inventory		6	19	Income taxes payable		119	9
Prepaid expenses		201	220	Taxes and insurance withheld		72	73
Other receivable		693	392	Current portion of capital			
Deferred income taxes		192	—	lease obligations		5,186	5,858
Allowance for bad debt		(1)	—	Current portion of			
Other current assets		1	2	installment obligations		172	1,160
Fixed Assets		23,406	25,470	Payable for fixed assets			
Tangible fixed assets		18,619	22,077	purchases		1,551	612
Buildings and structure		207	71	Consumption taxes payable		132	368
Machinery and equipment		17,478	20,598	Stock purchase warrants		15	29
Capitalized modems		249	1,098	Other current liabilities		7	11
Tools and furniture		685	311	Long-Term Liabilities		90,021	14,943
Intangible assets		3,351	2,523	Bonds		83,000	—
Goodwill		1,313	962	Long-term debt		2,030	5,350
Software		1,806	1,144	Capital lease obligations,			
Software in progress		—	93	less current portion		4,775	9,207
Indefeasible right of use		231	323	Installment obligations,			
Telephone subscription				less current portion		77	155
rights		1	0	Long-term other payables		139	231
Investments and other				Total Liabilities		106,514	33,239
assets		1,436	870	Shareholders' Equity			
Investment securities		200	200	Capital Shares		15,244	13,670
Investment in subsidiary		300	—	Capital Surplus		3,880	14,231
Long-term prepaid expenses		106	476	Retained Earnings		9,352	(11,938)
Long-term deposits		592	194	Total Shareholders' Equity		28,476	15,963
Deferred income taxes		238	—	Total Liabilities and			
Total Assets		134,990	49,202	Shareholders' Equity		134,990	49,202

Figures are rounded to the nearest million yen.

		Year ended March 31, 2005	Year ended March 31, 2004
Statements of Operations (¥ Millions)	Revenue	57,907	38,143
	Cost of revenue	31,973	24,856
	Gross profit	25,934	13,287
	Selling, general and administrative expenses	16,625	9,147
	Operating profit	9,309	4,140
	Other income	62	27
	Other expenses	1,303	1,442
	Recurring profit	8,068	2,724
	Non-recurring profit	1,970	—
	Non-recurring loss	1,105	359
	Income before income taxes	8,933	2,366
	Income taxes-current	11	9
	Income taxes-deferred	(431)	—
	Net income	9,352	2,356
	Accumulated deficit from prior period	—	(14,295)
	Profit (deficit) at end of period	9,352	(11,938)

		As of June 22, 2005	As of June 29, 2004
Statements of Appropriation of Profit (¥ Millions)	Unappropriated profit at end of period	9,352	—
	Appropriation of profit	1,638	—
	Cash dividends	1,638	—
	Profit to be carried forward to next period	7,714	—
	Deficit at end of period	—	(11,938)
	Deficit disposition	—	11,938
	Reduction of additional paid-in capital	—	11,938
	Profit to be carried forward to next period	—	—

		Year ended March 31, 2005	Year ended March 31, 2004
Statements of Cash Flows (¥ Millions)	Net cash provided by operating activities	23,902	12,732
	Net cash used in investing activities	(8,514)	(4,053)
	Net cash provided by (used in) financing activities	70,987	(1,693)
	Net change in cash and cash equivalents	86,374	6,986
	Cash and cash equivalents at beginning of period	18,396	11,411
	Cash and cash equivalents at end of period	104,770	18,396

Corporate Data

(As of March 31, 2005)

eAccess Ltd.

Established	November 1, 1999
Capital	¥15.2 billion
Headquarters	Shin-Nikko Bldg., 10-1, Toranomon 2-chome, Minato-ku, Tokyo 105-0001, Japan
Number of Employees	395
Business Focus	Broadband IP communication services

Directors and Corporate Auditors

(As of June 22, 2005)

Representative Director and CEO	Sachio Semmoto
Representative Director and COO	Haruo Taneno
Representative Director and CFO	Eric Gan
External Director	Paul Reynolds
External Director	William L. Smith
External Director	Raymond Kwok
External Director	Toru Hashimoto
External Director	Morihiko Tashiro
External Director	Toshio Yasui
External Director	Jiro Kokuryo
Full-Time Corporate Auditor	Yukio Goto
Corporate Auditor	Koichiro Nakamoto
Corporate Auditor	Motohide Nishimura

Share Information

(As of March 31, 2005)

Number of shares authorized	5,149,280
Number of shares issued	1,364,940
Number of shareholders	36,173

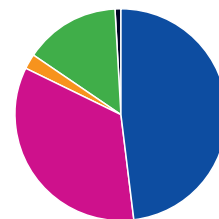
Principal Shareholders (Top 10)

Name	Number of shares	Voting right ratio (%)
1. Sachio Semmoto	95,180	6.97%
2. Eric Gan	94,150	6.90%
3. The Master Trust Bank of Japan (Trust Account)	69,066	5.06%
4. Nomura International (Hong Kong) Limited, Account F5108	52,750	3.86%
5. The Chase Manhattan Bank N.A. London	45,111	3.30%
6. Luxemburg Offshore Jasdec Lending Account	38,798	2.84%
7. Japan Trustee Services Bank, Ltd.	37,854	2.77%
8. The Nomura Trust and Banking Co., Ltd. (Investment Trust Accounts)	20,563	1.51%
9. Bank of New York GCM Client Account EISG	20,273	1.49%
10. Goldman Sachs and Company Regular Account	19,723	1.44%

Share Distribution

Number of Shareholders

- Foreign institutions and investors
656,390 shares (48.1%)
- Individuals and others
466,580 shares (34.2%)
- Corporations
31,158 shares (2.3%)
- Financial institutions
198,678 shares (14.6%)
- Securities companies
12,134 shares (0.8%)





Memorandum for Shareholders

Fiscal year-end	March 31
General shareholders' meeting	June
Date of record	March 31

Transfer of Shares

Transfer administration office	The Mitsubishi Trust and Banking Corporation Stock Transfer Agency Division 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agent	The Mitsubishi Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agency offices	The Mitsubishi Trust and Banking Corporation Head office and branches throughout Japan
Notices appear in	Nihon Keizai Shimbun

Mission Statement

*“A new and more efficient
net life for all.”*

Our mission is to maximize the value of customers’ lives and businesses by providing innovative broadband services that meet emerging needs.

Guiding Principles to Realize the Mission Statement

- To place top priority on customers
- To provide high-quality services that will become the de facto standard and choice of customers
- To create and promote “win-win” business partnerships
- To aggressively and efficiently carry out business plans to maximize the value of the Company
- To create an environment where employees take pride in working for an innovative telecommunications carrier that relentlessly strives for a higher standard



<http://www.enetlife.jp/index.html>

AOL Internet service, operated by eAccess, has established a community website called “eXPO Life—Our Aichi Expo” for the duration of Expo 2005 in Aichi, Japan. We received permission to operate the site from the Expo 2005 Aichi Japan Association, using our AOL Internet service.

eAccess Ltd.

Shin-Nikko Bldg., 10-1, Toranomom 2-chome,
Minato-ku, Tokyo 105-0001, Japan

<http://www.eaccess.net/>