

eAccess Ltd. (9427)

**Results for Fiscal Year Ended 3/2012
(4/2011 ~ 3/2012)**



May 11, 2012

FY3/2012 Results & Outlook

Operational Highlights & Outlook

Platinum Band 700MHz

Appendix

FY3/2012 Results & Outlook

Operational Highlights & Outlook

Platinum Band 700MHz

Appendix

FY3/2012 Results & Outlook

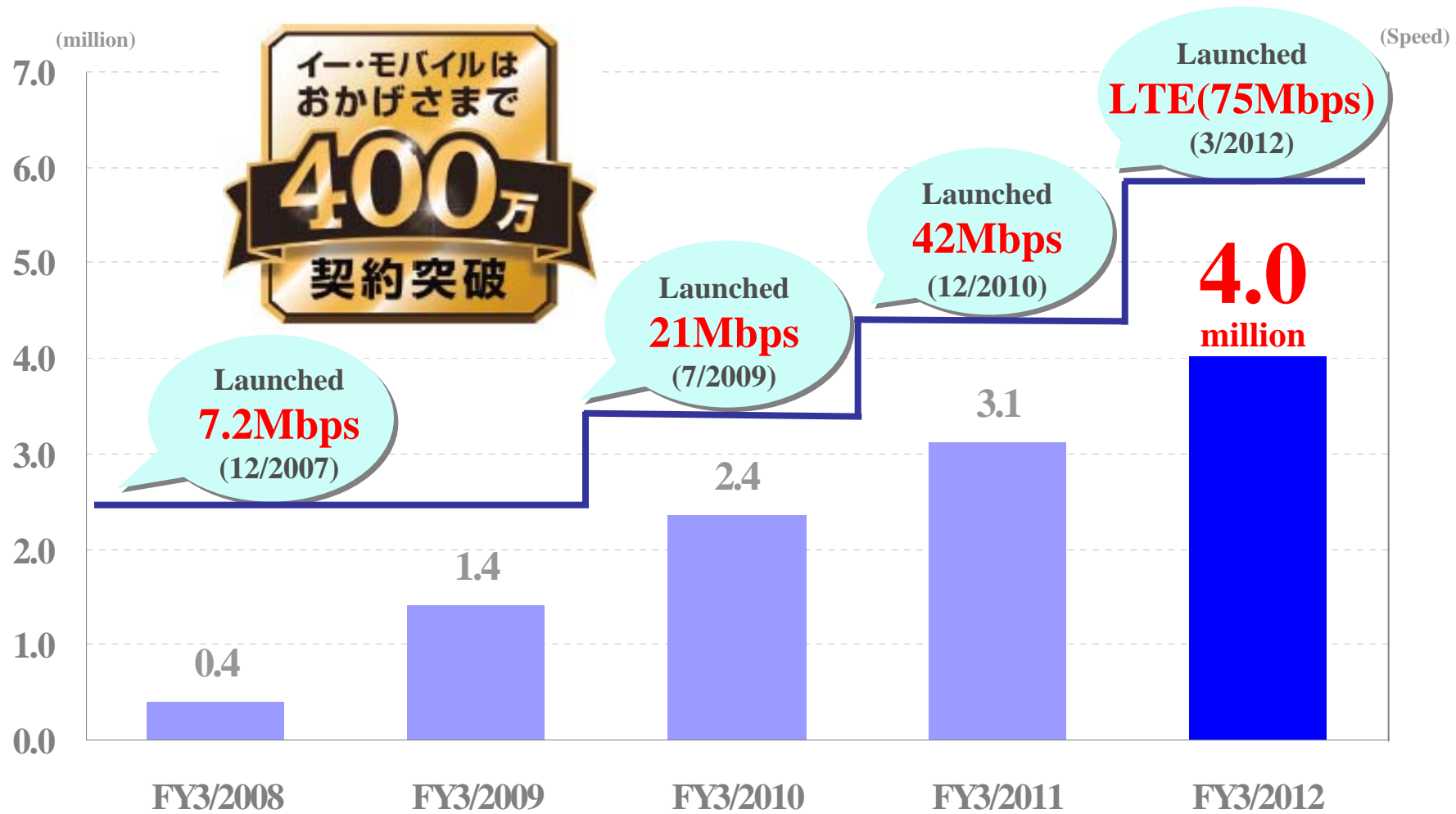
Achieved over 4 million mobile subscribers as of March 2012

Record high in operating profit and net income in FY3/2012

Expect higher top-line revenue growth of 22% and operating profit to renew record high in FY3/2013

Mobile Accumulated Subscribers

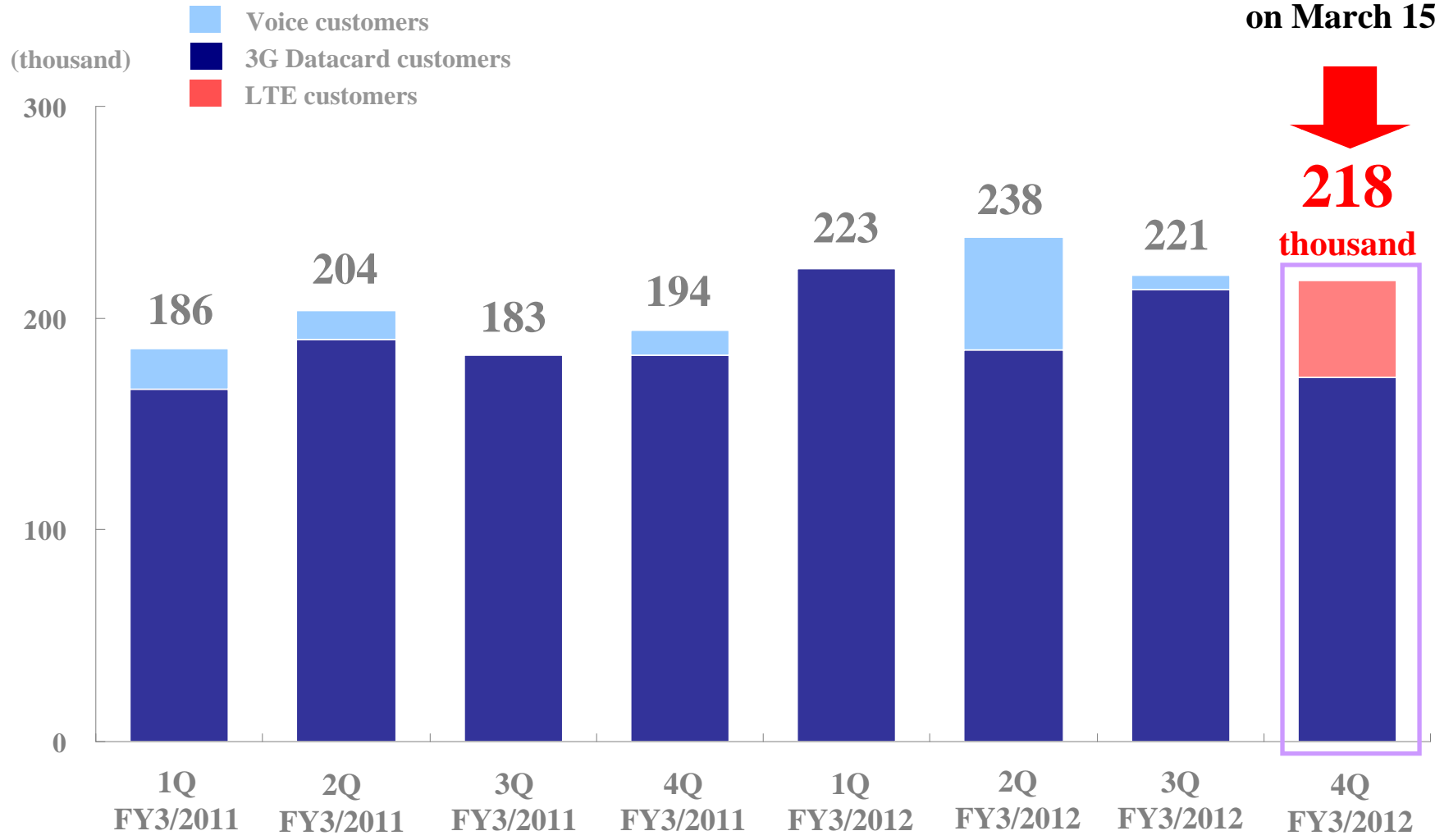
✓ Mobile subscriber hit over 4 million in March 2012, up 29% YoY



Quarterly Mobile Subscriber Trend

✓ Added 218,000 net addition in 4Q, up 12% YoY

LTE launched on March 15



FY3/2012 Financial Results & Forecasts

✓ Achieved all-time record high in operating profit and net income in FY3/2012

	FY3/2010	FY3/2011	FY3/2012		FY3/2013
	(Actual)*	(Actual)*	(Actual)	YOY	(Forecast)
(billion yen)					
Revenue	83.1	181.5	204.7	+ 13%	250.0
Operating Profit	19.2	15.0	24.4	+ 63%	26.0
<i>Inventory valuation loss (non-cash)</i> ***	<i>- 1.5</i>	<i>- 9.5</i>	<i>- 0.2</i>	<i>- 98%</i>	<i>-</i>
Recurring Profit	10.8	5.1	12.2	+ 140%	15.0
<i>Extraordinary items (non-cash)</i>	<i>- 0.7</i>	<i>- 7.5</i>	<i>- 0.1</i>	<i>- 99%</i>	<i>-</i>
<i>Deferred income tax (non-cash)</i> **	<i>- 1.7</i>	<i>17.0</i>	<i>3.2</i>	<i>- 81%</i>	<i>-</i>
Net Income	4.1	14.6	15.2	+ 4%	13.5
EBITDA ***	26.6	58.3	62.5	+ 7%	66.0
CAPEX	4.0	40.9	33.2	- 19%	45.0
Depreciation	7.4	33.8	37.7	+ 11%	40.0
EPS (yen)	2,762	4,766	4,321	- 9%	3,843
<i>Ave. Shares Outstanding</i>	<i>1,440,640</i>	<i>3,026,971</i>	<i>3,464,940</i>	<i>+ 437,969</i>	<i>3,465,180</i>

* EMOBILE was an affiliate company of eAccess in FY3/2010 and became wholly owned subsidiary through share exchange in FY3/2011

** Deferred income tax expense in FY3/2011 and FY3/2012 resulted from the recognition of deferred tax assets by using the accumulated net operating losses inherited from EMOBILE at the merger

*** Non-cash valuation loss of inventory were recognized and recorded in cost of revenue, which were added back to EBITDA

FY3/2013 Financial Forecast (Pro-forma base)

- ✓ Expect higher top-line growth of 22% YoY in FY3/2013
- ✓ Expect to renew record high in operating profit

(billion yen)	FY3/2010	FY3/2011	FY3/2012	FY3/2013	
	(Pro-forma)*	(Pro-forma)*	(Actual)	(Forecast)	YOY
Revenue	176.5	195.4	204.7	250.0	+ 22%
Mobile	113.6	142.6	160.1	215.0	+ 34%
Fixed Line	82.8	70.9	44.7	35.0	- 22%
Operating Profit	11.8	19.2	24.4	26.0	+ 7%
Mobile	- 6.1	2.6	9.6	17.0	+ 77%
Fixed Line	19.0	17.4	14.8	9.0	- 39%
<i>Operating Margin</i>	<i>7%</i>	<i>10%</i>	<i>12%</i>	<i>10%</i>	<i>- 2pts</i>
EBITDA	44.5	64.5	62.5	66.0	+ 6%
Mobile	18.2	40.4	43.3	54.0	+ 25%
Fixed Line	26.5	24.2	19.2	12.0	- 38%
<i>EBITDA Margin</i>	<i>25%</i>	<i>33%</i>	<i>31%</i>	<i>26%</i>	<i>- 5pts</i>
Recurring Profit	0.6	8.9	12.2	15.0	+ 23%
Income tax expense	- 6.5	15.3	3.2	- 1.3	- 141%
Net Income	- 6.4	16.6	15.2	13.5 **	- 11%

* Pro-forma: As if eAccess and EMOBILE were 100% consolidated and inter-company transactions were allocated to each business segment

** Expected YoY decrease in net income is due to deferred income tax effect of 3.2 billion yen in FY3/2012

Cash Flows

- ✓ CAPEX declined 20% in FY3/2012 resulted in 377% increase in net free cash flow
- ✓ Expect CAPEX to rise 36% in FY3/2013 due to LTE related spending

(billion yen)	FY3/2010	FY3/2011	FY3/2012		FY3/2013	
	(Pro-forma)	(Pro-forma)	(Actual)	YOY	(Forecast)	YOY
EBITDA	44.5	64.5	62.5	- 3%	66.0	+ 6%
CAPEX	- 55.5	- 41.4	- 33.2	- 20%	- 45.0	+ 36%
Operating FCF	- 11.0	23.1	29.3	+ 27%	21.0	- 28%
Interest	- 9.1	- 8.6	- 10.2	+ 19%	- 9.5	- 7%
Tax*	- 3.6	- 5.5	+ 2.5	-	- 1.5	-
Dividend**	- 3.6	- 5.1	- 3.0	- 41%	- 3.0	0%
Net FCF	- 27.3	3.9	18.6	+ 377%	7.0	- 62%

* FY3/2012 includes tax refund of 2.5 billion yen

** FY3/2011 includes special dividend of 1,800 yen

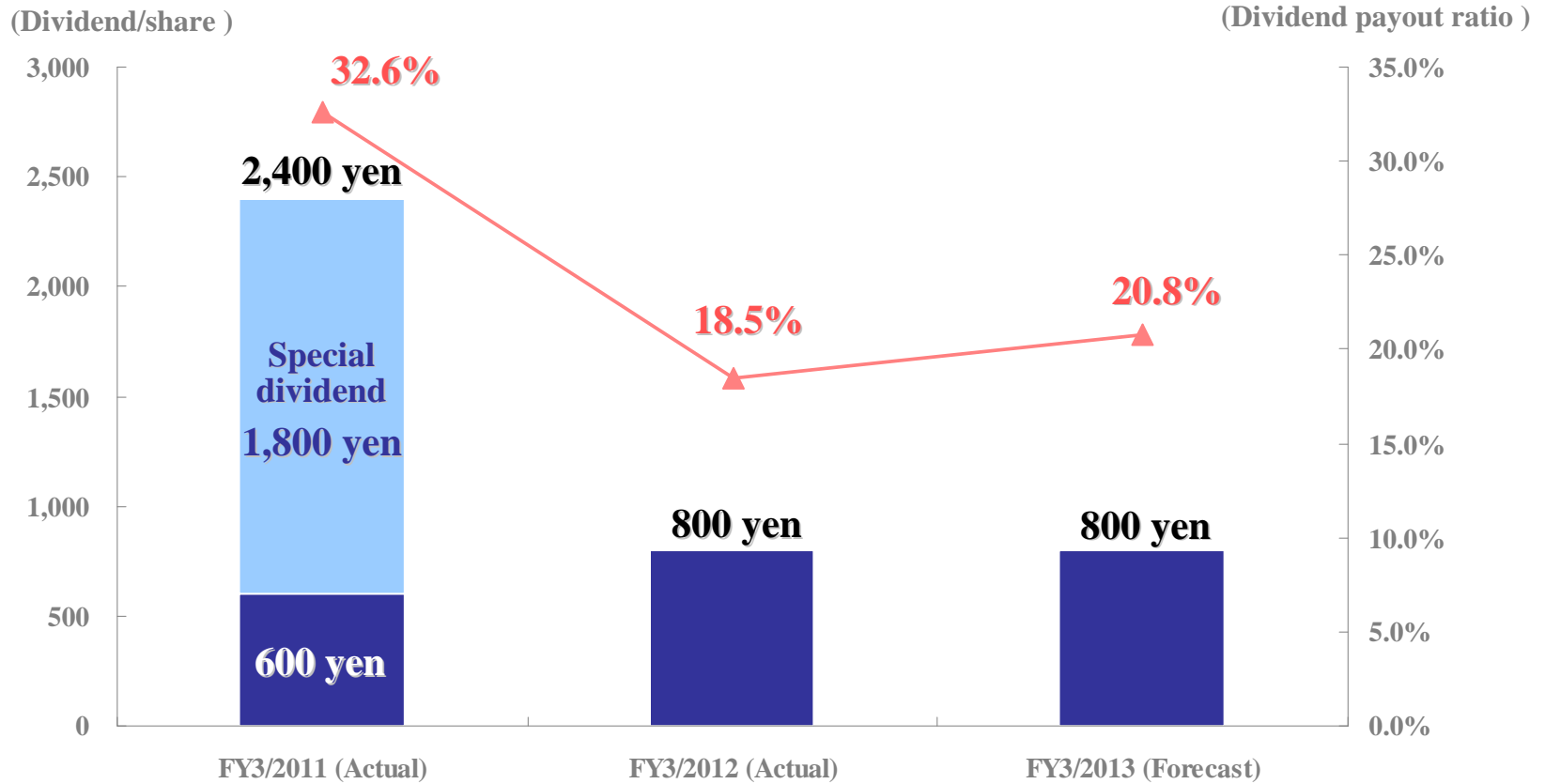
Balance Sheet

- ✓ Net debt declined 8% in FY3/2012
- ✓ Expect net debt to decline 7% in FY3/2013 with declining leverage ratio

(billion yen)	FY3/2010	FY3/2011	FY3/2012		FY3/2013	
	(Pro-forma)	(Pro-forma)	(Actual)	YOY	(Forecast)	YOY
Cash	75.4	47.1	40.1	- 15%	39.0	- 3%
Debt	299.2	249.7	226.3	- 9%	212.0	- 6%
Net Debt	223.8	202.6	186.3	- 8%	173.0	- 7%
Net Assets	40.6	73.0	86.4	+ 18%	96.9	+ 12%
Net Debt/Net Assets	5.51X	2.77X	2.16X	-	1.79X	-
EBITDA	44.5	64.5	62.5	- 3%	66.0	+ 6%
Net Debt/EBITDA	5.03X	3.14X	2.98X	-	2.48X	-

Shareholders Return

- ✓ **Maintain the same level of dividend at 200 yen per share per quarter with a total of 800 yen per share per annum in FY3/2013**



EPS	4,766 yen	4,321 yen	3,843 yen
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* Consolidated base for FY3/2011

FY3/2012 Results & Outlook

Operational Highlights & Outlook

Platinum Band 700MHz

Appendix

Operational Highlights and Outlook

Improvement in mobile churn in 4Q FY3/2012

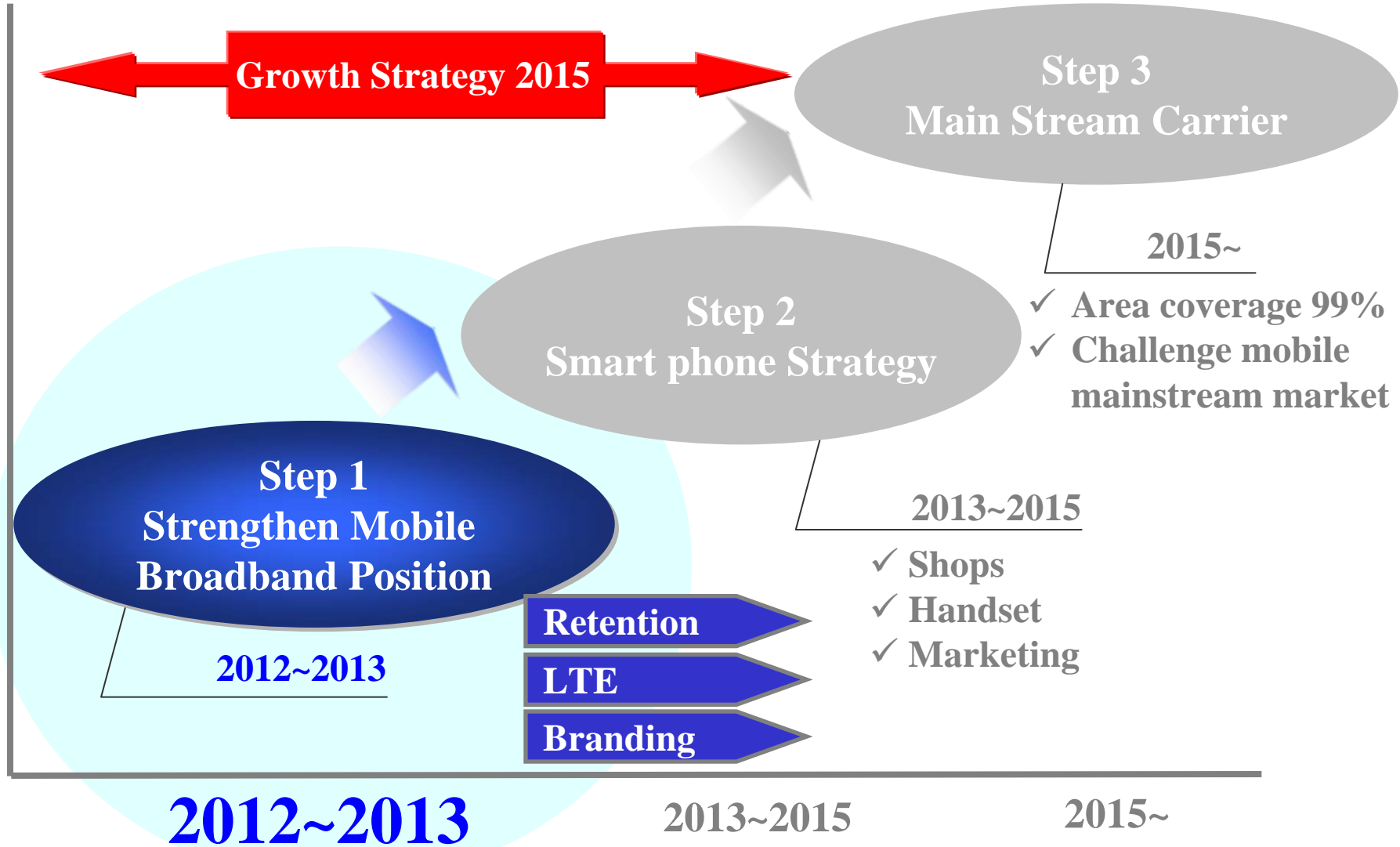
Expect mobile ARPU recovery in FY3/2013

Launched EMOBILE LTE on March 15, 2012

Growth Strategy

Step 1 ~ Strengthen Mobile Broadband Position ~

Subscribers/Revenue



Operational KPI

- ✓ Expect mobile ARPU recovery to 2,800 yen in FY3/2013
- ✓ Higher churn is expected in FY3/2013 from MVNO channels

		FY3/2011 (Actual)	FY3/2012 (Actual)	FY3/2013 (Forecast)
Mobile	Subscribers	3,117,900	4,017,000	4,500,000
	ARPU (yen)	3,160	2,740	2,800
	Monthly churn rate	1.38%	1.50%	1.60%
	SAC (yen)*	25,000	25,000	30,000
	SAC/ARPU (month)	7.9	9.1	10.7
<hr/>				
ADSL	Subscribers	1,928,000	1,565,000	1,200,000
	ARPU (yen)	1,961	2,001	2,000
	Monthly churn rate	2.03%	2.12%	2.40%
	SAC (yen)*	8,000	7,000	6,500
	SAC/ARPU (Month)	4.1	3.5	3.3

* SAC stands for per subscriber acquisition cost

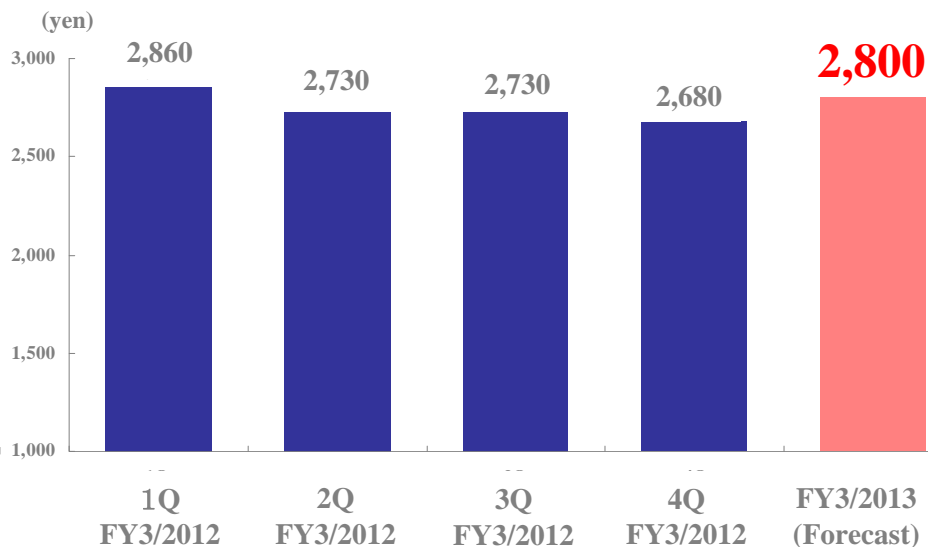
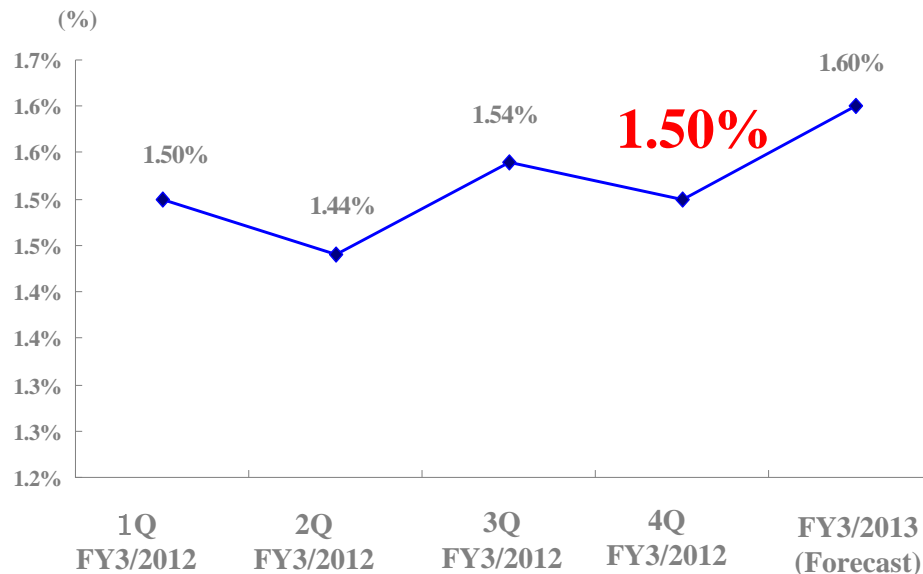
** Figures in this page are rounded and provided for reference purposes

Quarterly Churn and ARPU Trend

- ✓ Mobile average monthly churn improved in 4Q FY3/2012 but expect to rise in FY3/2013 due to expectations of higher MVNO churn
- ✓ Expect ARPU recovery in FY3/2013 with expectations of higher retail gross addition mix

Average Monthly Churn (Quarterly base)

Quarterly ARPU Trend



EMOBILE LTE

- ✓ Launched EMOBILE LTE on March 15, 2012
- ✓ Expect to complete 99% Tomeihan coverage by June 2012

EMOBILE *LTE*

3,880 yen*

Monthly Charge

Speed**

**Maximum downlink: 75Mbps
/ Maximum uplink: 25Mbps**

Coverage

	March 2012	June 2012	March 2013
<u>Tomeihan***</u>	51%	99%	99%
<u>Nationwide</u>	40%	50%	70%

* Ninen + Assist 1600 plan (discount 1,600 yen/month from the monthly charge of 5,480 yen)

** Connect 3.5th generation technology network outside of LTE network. Plan to set a usage cap at 10GB after May 2014

*** Based on MIC criteria

eAccess LTE Network

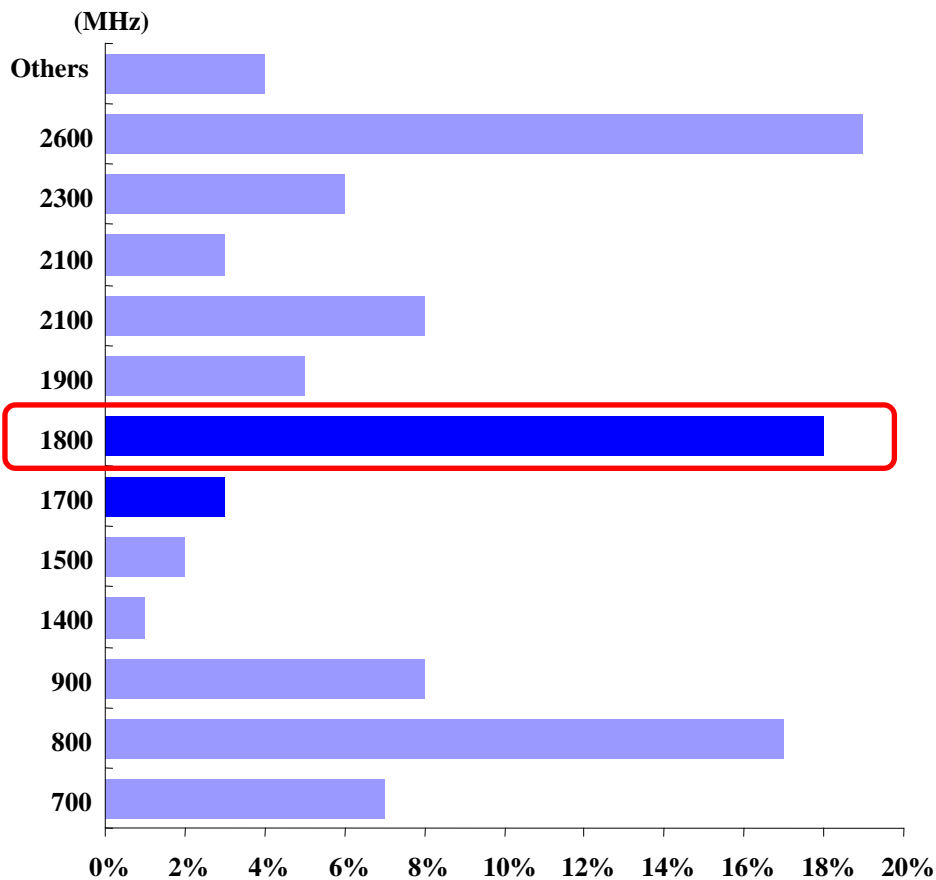
- **World's first dual mode network with LTE (150Mbps) and DC-HSDPA (42Mbps) overlay**
- **Network ready to handle 20MHz (Max. speed of 150Mbps)**
- **Supported by 100% all high capacity all IP backbones**



Global Deployment of LTE

✓ **Approx. 23% of global operators are planning to deploy LTE in the same spectrum band as eAccess (the most widely used band for LTE globally)**

Spectrum band planned to be used for LTE



IMT band globally used

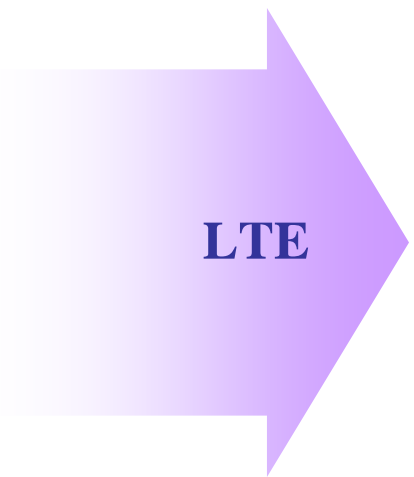
IMT band Band name	Widely used names	Frequencies (MHz)	
		Uplink	Downlink
1	IMT-2000 Core	1920 - 1980	2110 - 2170
2	PCS 1900	1850 - 1910	1930 - 1990
3	GSM 1800	1710 - 1785	1805 - 1880
4	Clinton Band AWS	1710 - 1755	2110 - 2155
5	850 (US)	824 - 849	869 - 894
6	850 (Japan)	830 - 840	875 - 885
7	IMT-extension	2500 - 2570	2620 - 2690
8	GSM 900	880 - 915	925 - 960
9	1700 (Japan)	1750 - 1785	1845 - 1880
10	Clinton Band AWS	1710 - 1770	2110 - 2170
11	UMTS 1500	1428 - 1453	1476 - 1501
12	US 700	698 - 716	728 - 746
13	US 700	776 - 788	746 - 758
14	US 700	788 - 798	758 - 768

Global deployment of LTE in 1800MHz

- ✓ 16 operators commercially launched LTE in 1800MHz, and 37 operators are preparing for LTE in 1800MHz



Evolution of Pocket WiFi



Technology	DC-HSDPA	Dual	LTE / DC-HSDPA
Usage Time	4.5 hours	2X	9 hours
Standby Time	140 hours	1.5 – 2.5X	200 hours/ 350 hours (GL01P) (GL02P)
Multiple Connections	Up to 5	2X	Up to 10

Comparison of LTE/AXGP Products

- ✓ **EMOBILE LTE products have longer battery life while maintaining the light weight**

	EMOBILE	Company A	Company C
Technology	LTE / DC-HSDPA	LTE / HSPA	AXGP / DC-HSDPA
Usage Time	9 hours (LTE)	6 hours (LTE)	3.5 hours
Standby Time	200/350 hours	210 hours	27 hours
Weight	140/123g	156g	110g
Multiple Connections	Up to 10	Up to 10	Up to 10

Overall Comparison

- ✓ EMOBILE LTE products offer the most competitive pricing and speed

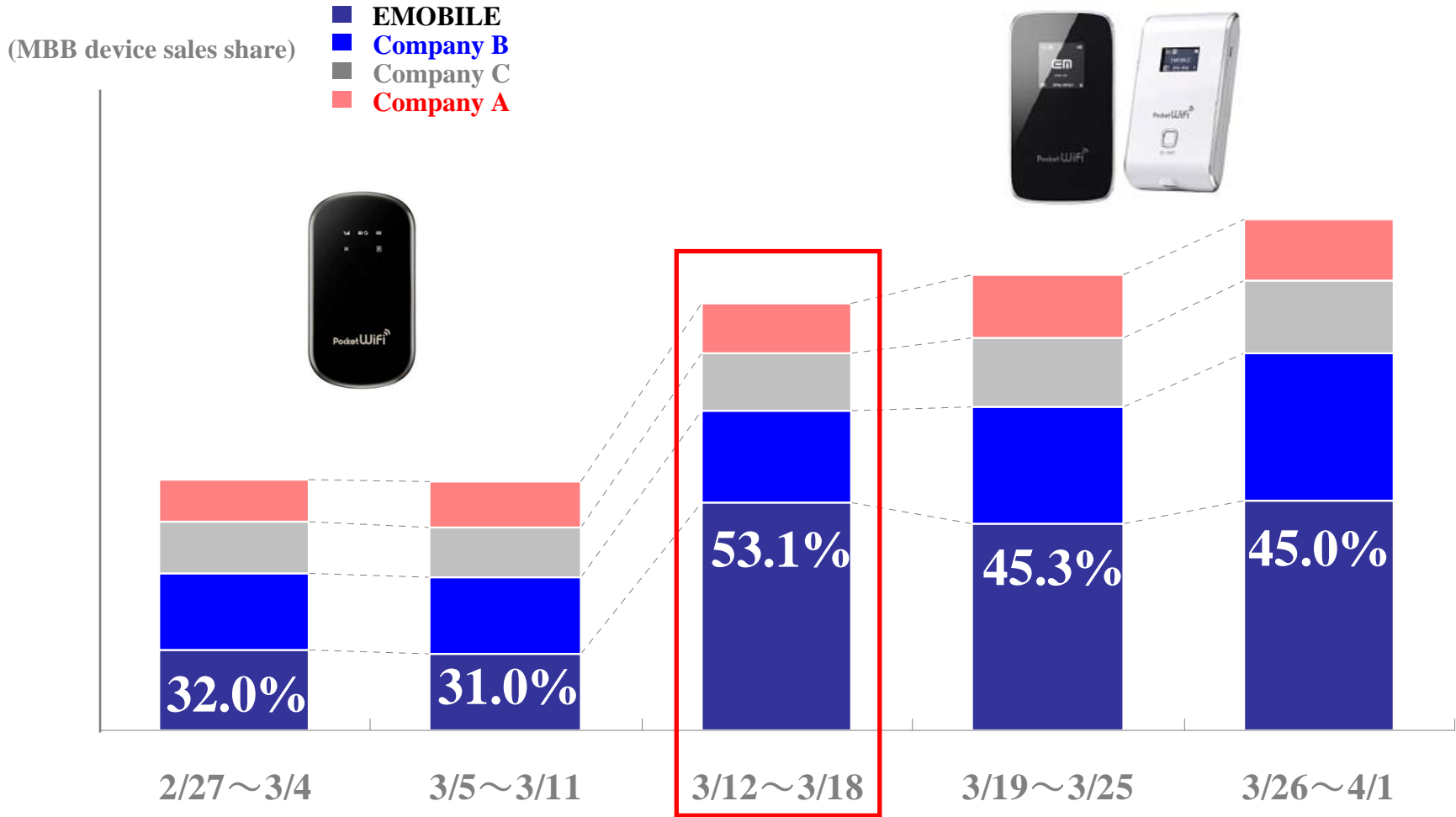
	Technology	Network Speed (downlink/uplink)	Monthly Charge
EMOBILE <i>EMOBILE LTE</i>	LTE	75M/25M (some area)	3,880 yen
Company A	LTE	75M/25M (some indoor)	5,460 yen* (charge 2,625 yen per 2GB after exceeding 7GB)
Company C	AXGP	76M/10M	5,505 yen** (charge 2,625 yen per 2GB after exceeding 5GB)
Company B	WiMAX	40M/15.4M	3,880 yen

* Campaign price until September 30, 2012 + ISP fee

** Campaign price until July 31, 2012 + ISP fee

Mobile Broadband Sales Performance

✓ Significant increase in mobile router market share after LTE launch



Shop Expansion for FY3/2013

✓ Aim to increase the number of EMOBILE shops over 5X to 400 by March 2013

EMOBILE Shop in Akasaka



EMOBILE Shop in Ebisu



(Number of shops)



FY3/2012 Results & Outlook


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Platinum Band 700MHz

Appendix

Result of 900MHz Band Allocation


✓ eAccess lost to Softbank by only 1 point but higher than docomo and KDDI

(Score : Out of 10)		Softbank	docomo	KDDI
Total Score	8	9	5	5
Quality of migration plan	4	3	1	2
Quality of MVNO plan	2	2	2	1
Level of spectrum congestion	2	4	2	2
No platinum band allocated	(2)	(2)	(0)	(0)
Subs number per bandwidth	(0)	(2)	(2)	(2)

Result of 900MHz Band Allocation

✓ Expect priority to be given to eAccess as the only non-platinum band operator

700MHz

	Platinum band	IMT Core band				
 (30MHz)			1.8GHz (30MHz)		<ul style="list-style-type: none"> ■ LTE at 1.8GHz ■ Platinum band to expand coverage 	
docomo (140MHz)	800MHz (30MHz)	2GHz (40MHz)	1.5GHz (30MHz)	1.8GHz (40MHz)	<ul style="list-style-type: none"> ■ LTE at 2.1GHz ■ Plan to use 1.5GHz for LTE in 2015 	
KDDI (120MHz)	800MHz (30MHz)	2GHz (40MHz)	1.5GHz (20MHz)	2.5GHz (30MHz) WIMAX	<ul style="list-style-type: none"> ■ Plan to launch LTE at 800MHz, 1.5GHz, and 2GHz by Dec 2012 	
Softbank (134MHz)	900MHz (30MHz)	2GHz (40MHz)	1.5GHz (20MHz)	2.5GHz (30MHz) A-XGP	1.9GHz (14MHz) PHS	<ul style="list-style-type: none"> ■ AXGP at 2.5GHz ■ Awarded 900MHz

700MHz Band Allocation Guideline

- ✓ The MIC plans to allocate 10MHz x 2 to 3 operators in June 2012
- ✓ The total cost for migration is estimated between 60 billion to 150 billion yen. The cost to be shared by the 3 potential 700MHz operators

700MHz

vs

900MHz

Total amount required for migration

60~150 billion yen
(shared among allocated operators)

210 billion yen
(only 1 operator)

Total spectrum available

30MHz x 2

15MHz x 2

Number of operators to be allocated

3

1

Spectrum available to be used

After 2015

5MHz x 2 (immediately)
10MHz x 2 (after migration)

700MHz Band Allocation Schedule



Release of allocation guideline (April 11)



Application Began (April 17)



Application Ends (May 25)



Allocation



Spectrum Available

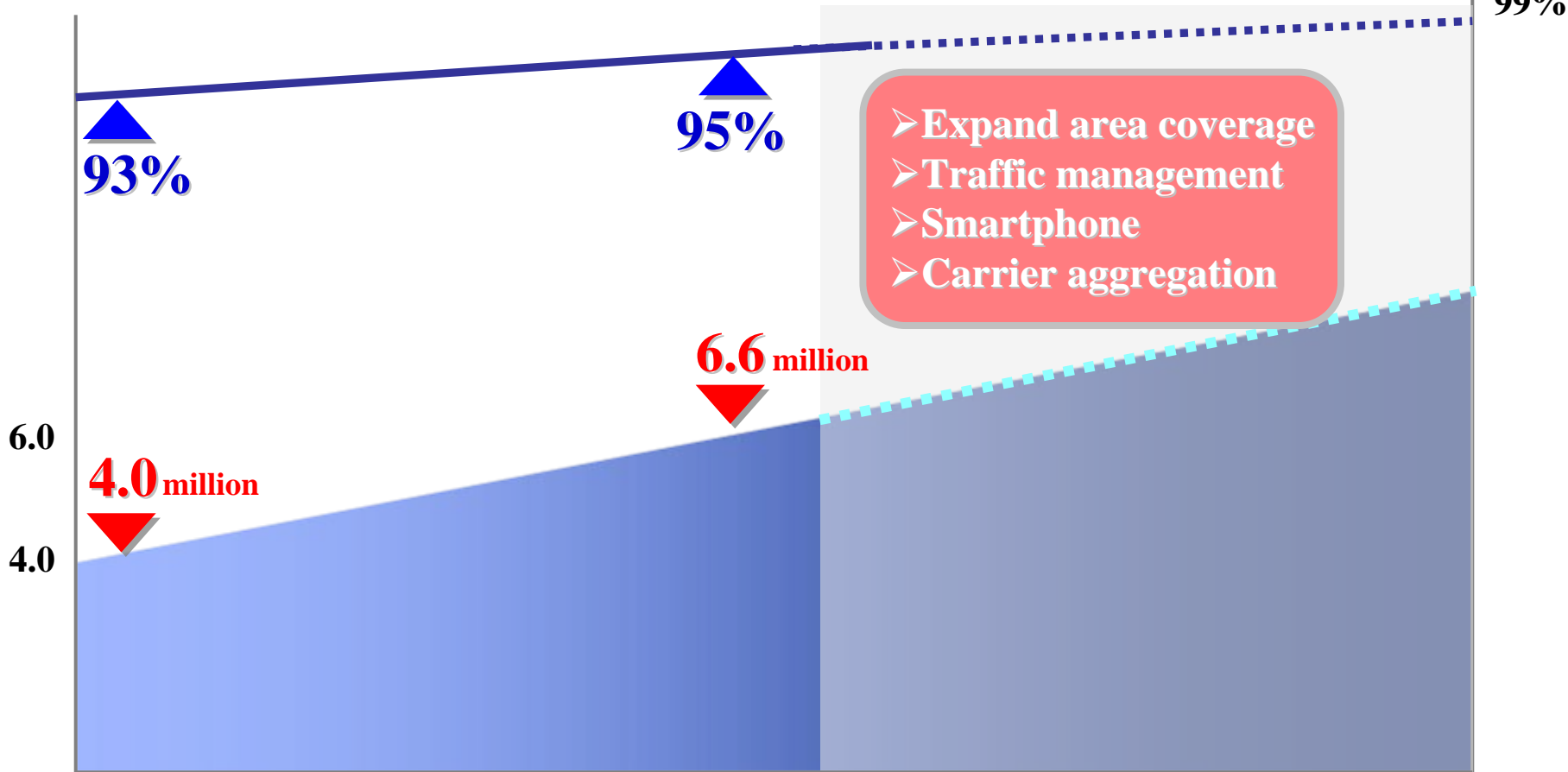


Use of 700MHz Band

- ✓ To improve our nationwide population coverage to 99%
- ✓ To ease potential congestion issue by increasing spectrum capacity

(Subscriber/million)

(coverage)



- Expand area coverage
- Traffic management
- Smartphone
- Carrier aggregation

2012

2015~

1.7GHz

+ 700MHz

FY3/2012 Results & Outlook

Operational Highlights & Outlook

Platinum Band 700MHz

Appendix

Supplemental Information (Company)

【Profit & Loss】

(in million yen)

	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Revenue	47,605	48,986	52,532	55,619	204,743	250,000
Operating expense	41,116	42,054	46,927	50,204	180,303	224,000
Advertising and sales promotion	15,451	15,119	19,685	21,740	71,994	-
Device and related tools	2,152	2,725	3,085	4,434	12,395	-
Network	6,694	6,692	6,796	6,816	27,285	-
Modem rental	1,145	1,072	1,014	950	4,179	-
Depreciation and amortization	9,244	9,396	9,507	9,542	37,708	-
Outsourcing	2,473	2,740	2,578	2,631	10,421	-
Salaries and benefits	2,183	2,061	2,079	2,071	8,393	-
Others	1,775	2,250	2,184	2,022	7,925	-
Operating profit	6,489	6,932	5,605	5,415	24,441	26,000
Operating margin (%)	13.6%	14.2%	10.7%	9.7%	11.9%	10.4%
Non-operating income	20	178	44	50	293	-
Non-operating expense	3,293	3,165	3,080	3,012	12,549	-
Interest expense	2,623	2,636	2,574	2,516	10,349	-
Commission expense	593	421	437	436	1,887	-
Amortization of bond issuance costs	60	60	60	60	238	-
Others	17	48	9	1	75	-
Recurring profit	3,217	3,945	2,569	2,453	12,184	15,000
Non-recurring profit	4	0	0	0	4	-
Non-recurring loss	53	34	66	65	218	-
Income before income taxes	3,167	3,911	2,503	2,388	11,970	-
Income taxes	2	7	4,073	-7,267	-3,186	-
Income tax expense-current	2	7	6	6	0	0
Income tax expense-deferred	0	0	4,067	-7,273	-3,206	0
Net Income	3,166	3,905	-1,569	9,654	15,156	13,500
EBITDA	15,733	16,413	15,161	15,195	62,504	66,000
EBITDA margin (%)	33.0%	33.5%	28.9%	27.3%	30.5%	26.4%
Capital Expenditures	8,030	6,221	10,682	8,299	33,233	45,000

Note: EBITDA=Operating profit + Depreciation and amortization + Loss on inventory valuation + Depreciation included in R&D expenses

Supplemental Information (Company)

【Balance Sheets】

(in million yen)

	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Current assets	111,258	113,986	122,544	122,173	-	-
Cash and cash deposits	38,131	44,791	45,924	40,066	-	39,000
Other current assets	73,127	69,195	76,619	82,107	-	-
Fixed assets	227,640	223,535	219,957	229,020	-	-
Total Assets	340,196	338,759	343,679	352,312	-	-
Current liabilities	64,845	66,151	79,337	85,109	-	-
Current portion of long-term debt	43,283	43,905	45,230	45,294	-	-
Other current liabilities	21,562	22,246	34,107	39,815	-	-
Long-Term Liabilities	201,020	194,458	188,834	180,832	-	-
Long-term debt	199,409	189,387	183,235	180,546	-	-
Other long-term liabilities	1,611	5,071	5,599	286	-	-
Total Liabilities	265,865	260,609	268,170	265,941	-	-
Shareholders' equity	75,504	78,670	76,362	85,277	-	-
Capital stock and capital surplus	67,753	67,754	67,754	67,754	-	-
Retained earnings	7,751	10,917	8,609	17,524	-	-
Total Net Assets	74,330	78,151	75,509	86,371	-	96,900
Gross Debt	242,406	237,265	232,661	226,349	-	212,000
Bank loans	139,894	137,788	133,932	134,775	-	-
Bonds	69,321	68,792	68,297	58,768	-	-
Convertible bonds	10,851	10,841	10,832	10,822	-	-
Installment obligations	21,676	19,405	19,336	21,789	-	-
Lease obligations	664	438	263	194	-	-
Net Debt	204,275	192,474	186,737	186,282	-	173,000
Net debt/EBITDA ratio	3.15x	2.90x	2.86x	2.98x	-	2.48x
Net debt/net assets ratio	2.75x	2.46x	2.47x	2.16x	-	1.79x

Note: Gross debt and Net debt exclude valuation of bonds attributed to valuation of derivatives

Note: Net debt/EBITDA ratio is calculated by dividing the Net debt by the EBITDA for the last twelve months

Note: Extra-ordinary profit of 3.8 billion yen from CAPEX refund is added back to EBITDA for the purpose of Net Debt/EBITDA calculation

Supplemental Information (Company)

【Cash Flows】

(in million yen)

	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Net cash provided by (used in) operating activities	12,458	19,899	13,538	11,147	57,042	-
Net cash provided by (used in) investing activities	-10,260	-10,308	-7,037	-7,209	-34,814	-
Net cash provided by (used in) financing activities	-9,119	-5,431	-5,367	-7,301	-27,219	-
Net change in cash and cash equivalents	-6,921	4,160	1,134	-3,363	-4,990	-
Cash and cash equivalents at end of the period	36,477	40,637	41,770	38,412	38,412	-

【Other Indicators】

	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Dividend per share (yen)	200	200	200	200	800	800
Average share price during the period (yen)	37,948	30,277	18,864	18,737	-	-
Dividend yield (annual)	2.1%	2.6%	4.2%	4.3%	-	-
Number of shares of common stock at the end of the period	3,465,165	3,465,180	3,465,180	3,465,180	-	-
Average number of shares of common stock during the period	3,464,227	3,464,700	3,464,861	3,464,940	-	-
Earnings per share (EPS)	900.63	2,014.22	1,547.99	2,772.84	4,320.98	3,842.98
Earnings per share-diluted	865.19	1,940.75	1,513.67	2,657.50	4,167.80	-
Price earnings ratio (PER)	8.23x	4.53x	4.18x	4.22x	-	-
Market capitalization	124,746	68,645	63,309	63,933	-	-
Net debt	204,275	192,474	186,737	186,282	-	-
Enterprise value (EV)	329,021	261,119	250,045	250,215	-	173,000
EV / EBITDA ratio	5.07x	3.93x	3.83x	4.00x	-	-
Number of employees	1,306	1,212	1,198	1,196	-	-

Supplemental Information (Mobile Business)

【Profit & Loss】

(in million yen)

Mobile Business	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q	2Q	3Q	4Q	Full-year/	Full-year/
Revenue	35,548	37,529	41,669	45,323	160,069	215,000
Service revenue	28,286	29,215	31,244	32,555	121,299	-
Device revenue	7,262	8,314	10,424	12,769	38,770	-
Operating expense	33,054	34,375	39,727	43,277	150,432	198,000
Advertising and sales promotion	14,981	14,824	19,414	21,497	70,715	-
Device and related tools	2,083	2,669	3,036	4,383	12,170	-
Network	3,055	3,161	3,365	3,448	13,030	-
Depreciation and amortization	8,014	8,205	8,481	8,623	33,341	-
Outsourcing	1,703	1,954	1,883	1,940	7,480	-
Salaries and benefits	1,770	1,664	1,688	1,668	6,791	-
Others	1,447	1,898	1,860	1,718	6,906	-
Operating profit	2,495	3,154	1,942	2,046	9,637	17,000
Operating margin (%)	7.0%	8.4%	4.7%	4.5%	6.0%	7.9%
EBITDA	10,509	11,445	10,473	10,907	43,333	54,000
EBITDA margin (%)	29.6%	30.5%	25.1%	24.1%	27.1%	25.1%
Capital expenditures	7,842	5,727	9,818	6,275	29,662	41,000

Note: EBITDA=Operating profit + Depreciation and amortization + Loss on inventory valuation + Depreciation included in R&D expenses

【Operational Information】

Mobile Business	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q	2Q	3Q	4Q	Full-year/	Full-year/
Gross add subscribers (thousands)	369	389	393	397	-	-
Device upgrades (thousands)	42	59	101	90	-	-
Total (thousands)	411	448	494	487	-	-
Net add subscribers (thousands)	223	238	221	218	899	483
Accumulated subscribers (thousands)	3,341	3,579	3,800	4,017	4,017	4,500
ARPU (yen/month)	2,860	2,730	2,730	2,680	2,740	2,800
Churn rate (%/month)	1.50%	1.44%	1.54%	1.50%	1.50%	1.60%
SAC (yen)	20,000	23,000	28,000	28,000	25,000	30,000

Supplemental Information (Fixed-line Business)

【Profit & Loss】

(in million yen)

Fixed-line Business	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Revenue	12,057	11,457	10,863	10,296	44,674	35,000
Operating expense	8,063	7,680	7,201	6,927	29,870	26,000
Advertising and sales promotion	470	296	271	243	1,279	-
Network	3,639	3,531	3,431	3,368	14,255	-
Modem rental	1,145	1,072	1,014	950	4,179	-
Depreciation and amortization	1,231	1,191	1,026	919	4,367	-
Outsourcing	770	786	695	691	2,941	-
Salaries and benefits	413	397	391	403	1,603	-
Others	397	408	373	355	1,245	-
Operating profit	3,994	3,778	3,663	3,369	14,804	9,000
Operating margin (%)	33.1%	33.0%	33.7%	32.7%	33.1%	25.7%
EBITDA	5,225	4,969	4,689	4,288	19,171	12,000
EBITDA margin (%)	43.3%	43.4%	43.2%	41.6%	42.9%	34.3%
Capital expenditures	189	494	864	2,024	3,571	4,000

Note: EBITDA=Operating profit + Depreciation and amortization

【Operational Information】

Fixed-line Business	Fiscal Year 3/2012					Fiscal Year 3/2013
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	Full-year/ Year-end
Net add subscribers (thousands)	-89	-95	-83	-96	-363	-360
Accumulated subscribers (thousands)	1,839	1,744	1,661	1,565	1,565	1,200
ARPU (yen/month)	2,009	2,006	1,998	1,992	8,005	2,000
Churn rate (%/month)	2.04%	2.14%	1.97%	2.32%	0	2.40%
SAC (yen)	7,500	7,000	6,000	7,000	7,000	6,500

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