

eAccess Ltd. (9427)

FY3/2013 First Half Results
(4/2012 ~ 9/2012)



November 12, 2012

Business Combination with SoftBank

EMOBILE LTE

1st Half FY3/2013 Results

Business Combination with SoftBank

History of eAccess and SoftBank



— SoftBank

2000 - Exploitation of ADSL market

2005 - Granted a W-CDMA commercial license for mobile service

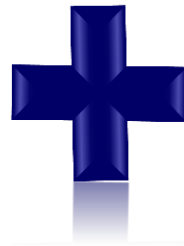
2007 - Enter into a strategic partnership for 2.5GHz allocation

2009 - Entered into a business partnership for MVNO service

October 1, 2012

**Agreed on business combination
via share exchange**

eAccess
Broadband services



SoftBank

eAccess
Broadband services

Synergies from Business Combination

eAccess
Broadband services

= SoftBank

1.7
GHz

2.1
GHz

900
MHz

Network Sharing

**Broader area
coverage
for smartphones**

**1.7GHz
(LTE)**

**900MHz • 2.1GHz
(Voice/Data service)**



Synergies from Business Combination

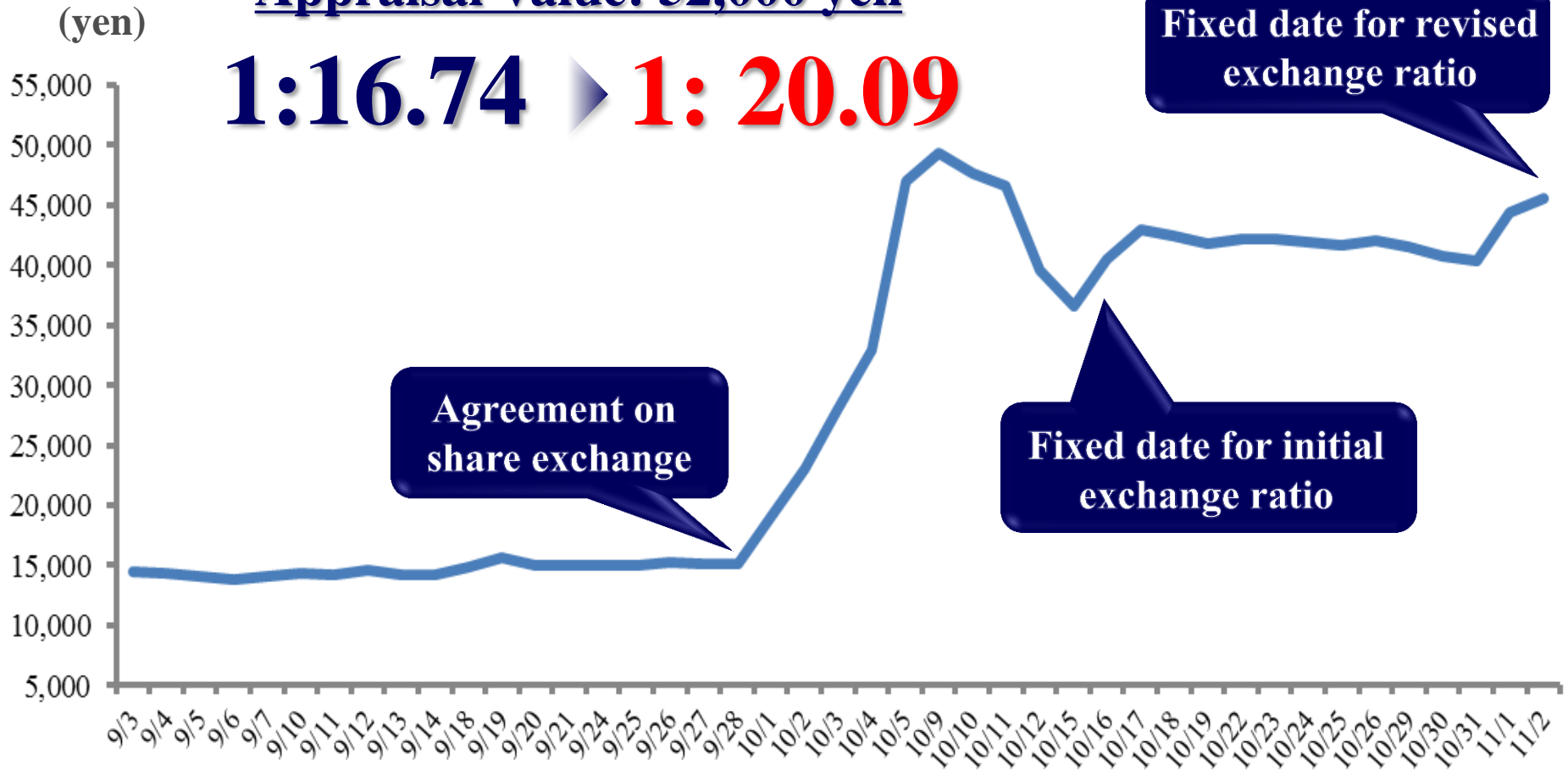
- 1. Broader area coverage**
- 2. Sales channel expansion**
- 3. Lower financial cost**

Share Exchange Ratio

Share Price of eAccess

Appraisal Value: 52,000 yen

1:16.74 ► **1:20.09**



Timeline of Transaction



EMOBILE LTE

70% of LTE area coverage by the end of FY12
Plan to expand to 80% at early FY13

60%  **70%**

**As of September 30,
2012**

**By March 31, 2013
(Plan)**

EMOBILE's First LTE Android™ Smartphone

- ◆ LTE tethering
- ◆ Equipped with quad-core processor
- ◆ Equipped with FeliCa™
- ◆ 4.7 inch HD screen
- ◆ UE category 4

Coming Soon!

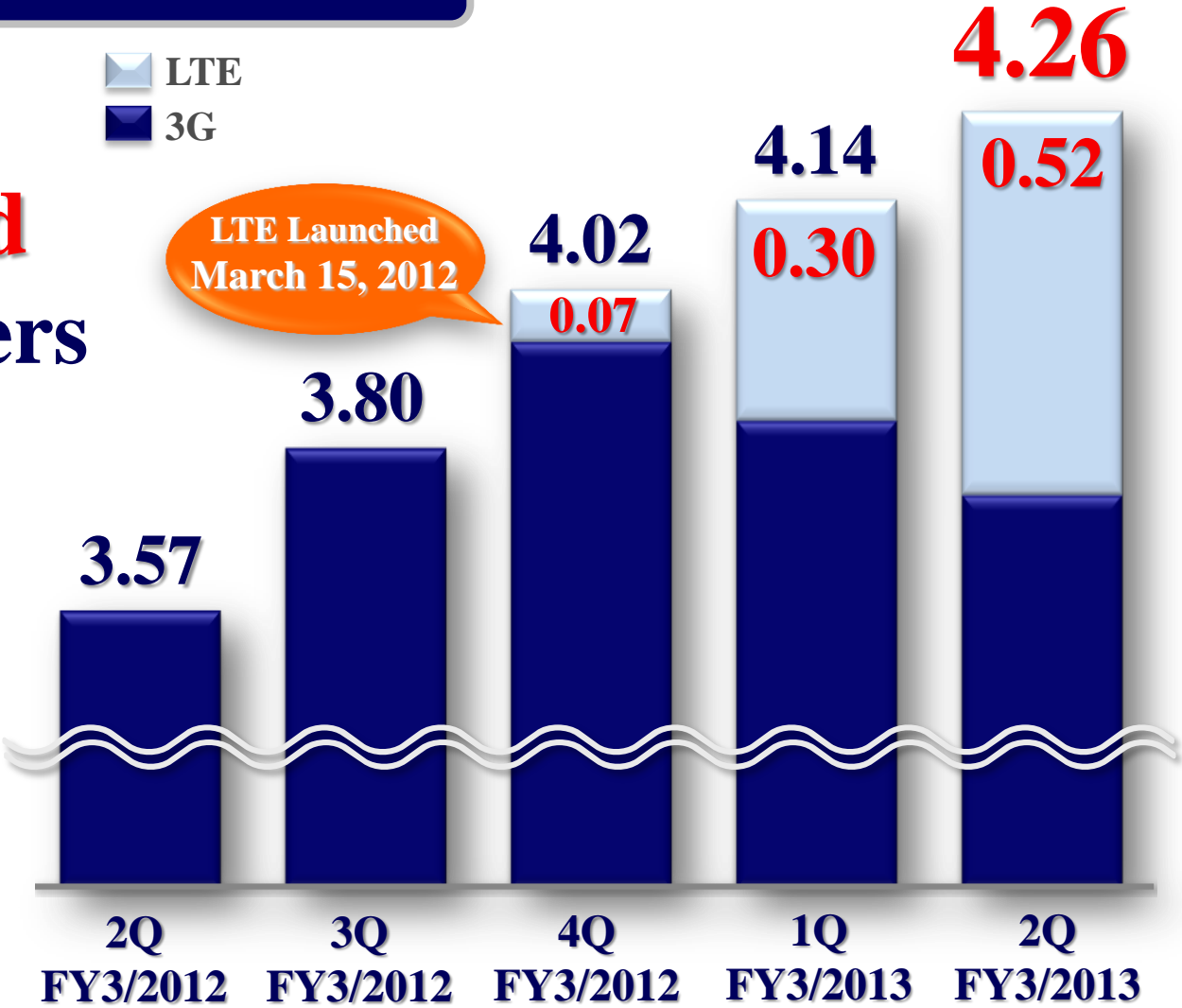


1st Half FY3/2013 Results

Accumulated Mobile Subscribers

(subscribers/million)

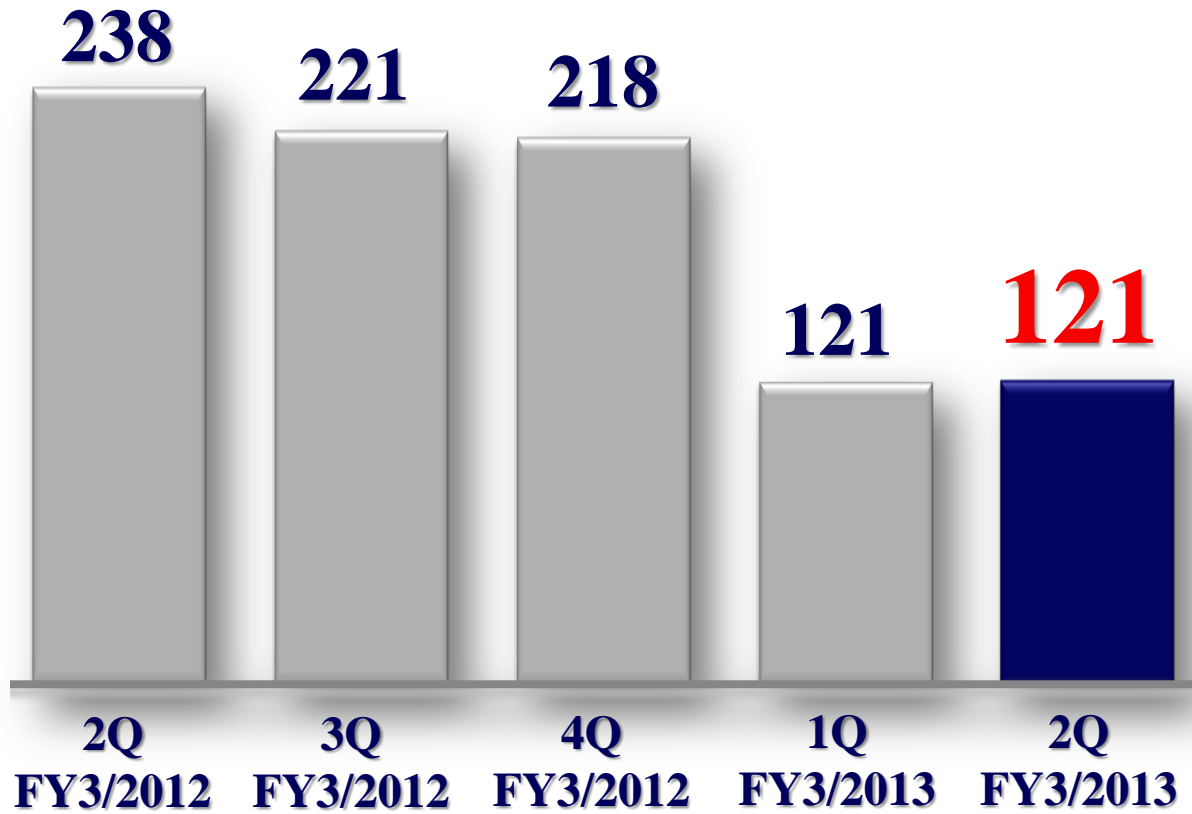
523 thousand
LTE subscribers



Mobile Net Addition

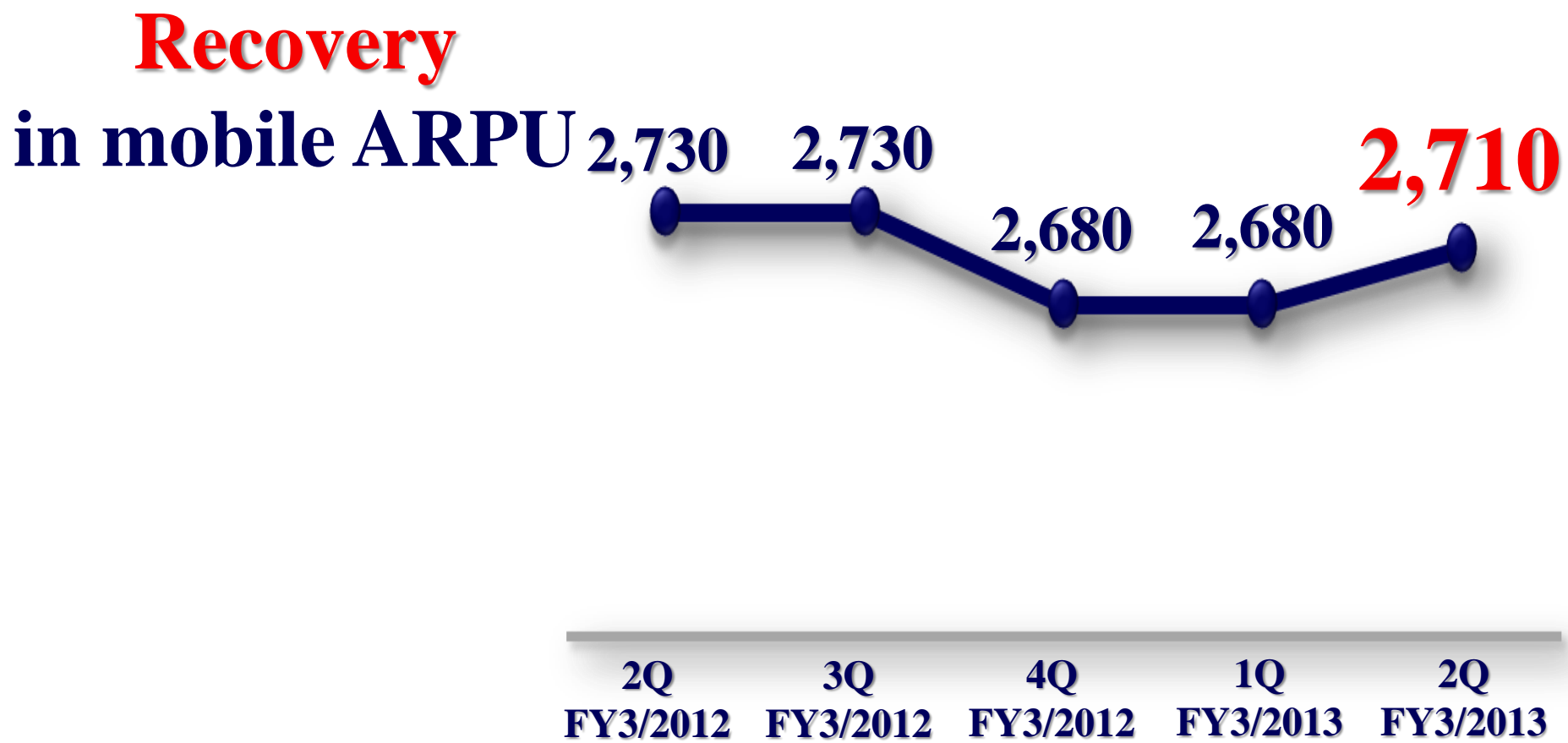
(subscribers/thousand)

**Steady
net addition**



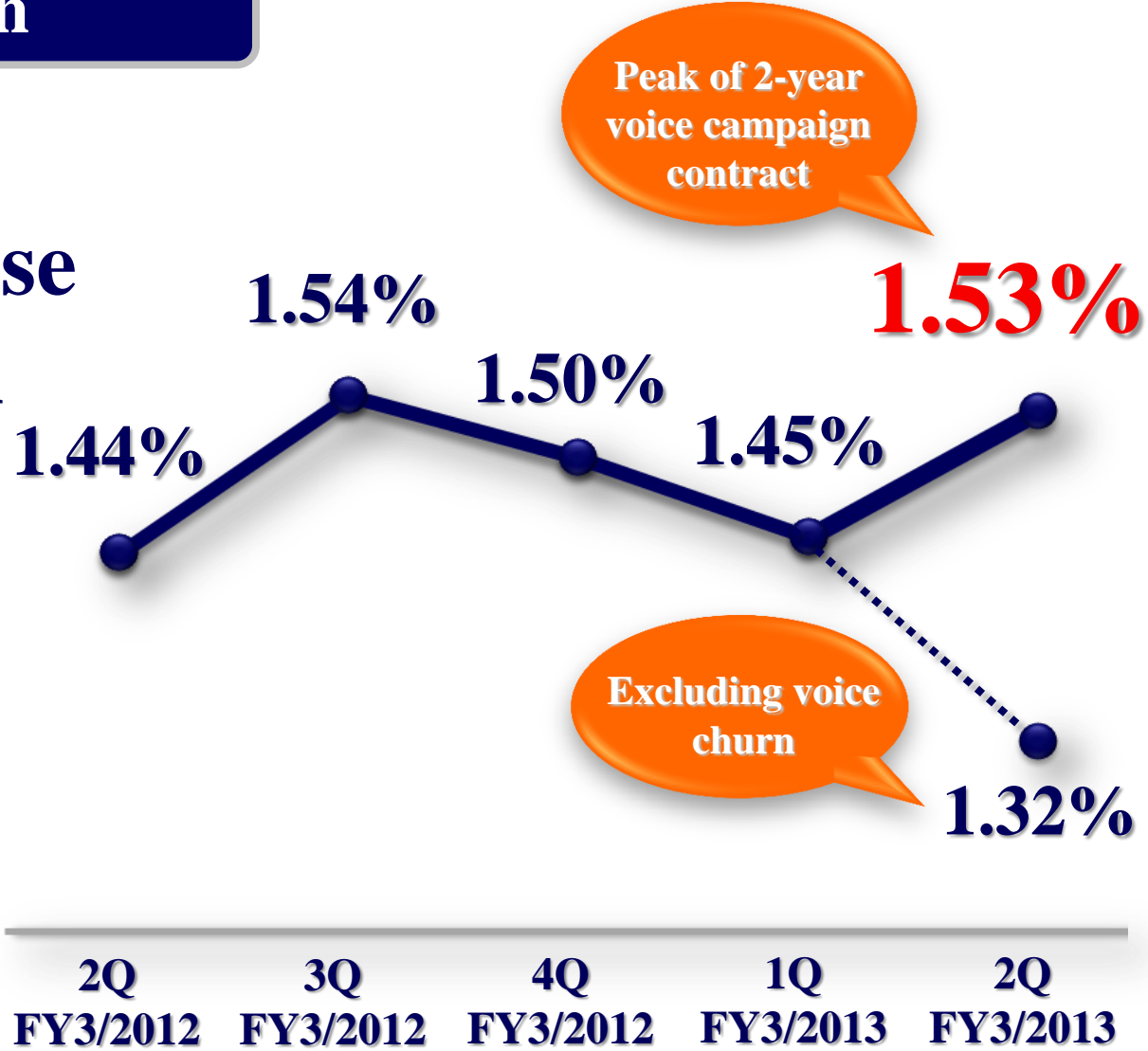
Mobile ARPU

(yen)



Mobile Churn

One time increase
in voice churn



Financial Results

(billion yen)	1H FY3/2012	1H FY3/2013	YoY
Revenue	96.6	108.5	12%
Operating Profit	13.4	8.6	- 36%
EBITDA*	32.1	29.9	- 7%
<i>(Non-recurring cash income)</i>	<i>(0.0)</i>	<i>(2.4)</i>	<i>-</i>
Recurring Profit	7.2	3.1	- 57%
Net Income	7.1	3.7	- 48%

* EBITDA = Operating profit + Depreciation and amortization + Loss on inventory valuation + Depreciation included in R&D expenses + Material items of cash income in the non-operating profit & non-recurring profit

Highest Revenue Growth in 1H YoY Growth Comparison

	Total Revenue	Mobile Revenue	Mobile Subscribers	ARPU*
eAccess	+ 12%	+ 23%	+ 19%	- 4%
NTT docomo**	+ 5%	+ 4%	+ 3%	- 6%
SoftBank***	+ 3%	+ 3%	+ 13%	- 5%
KDDI****	- 0%	- 2%	+ 7%	- 8%

* Company calculation based on the average ARPU in 1Q FY3/2013 and 2Q FY3/2013

Source: Company publically available information

** Mobile phone segment is used for the mobile revenue and total ARPU is used for the ARPU calculation

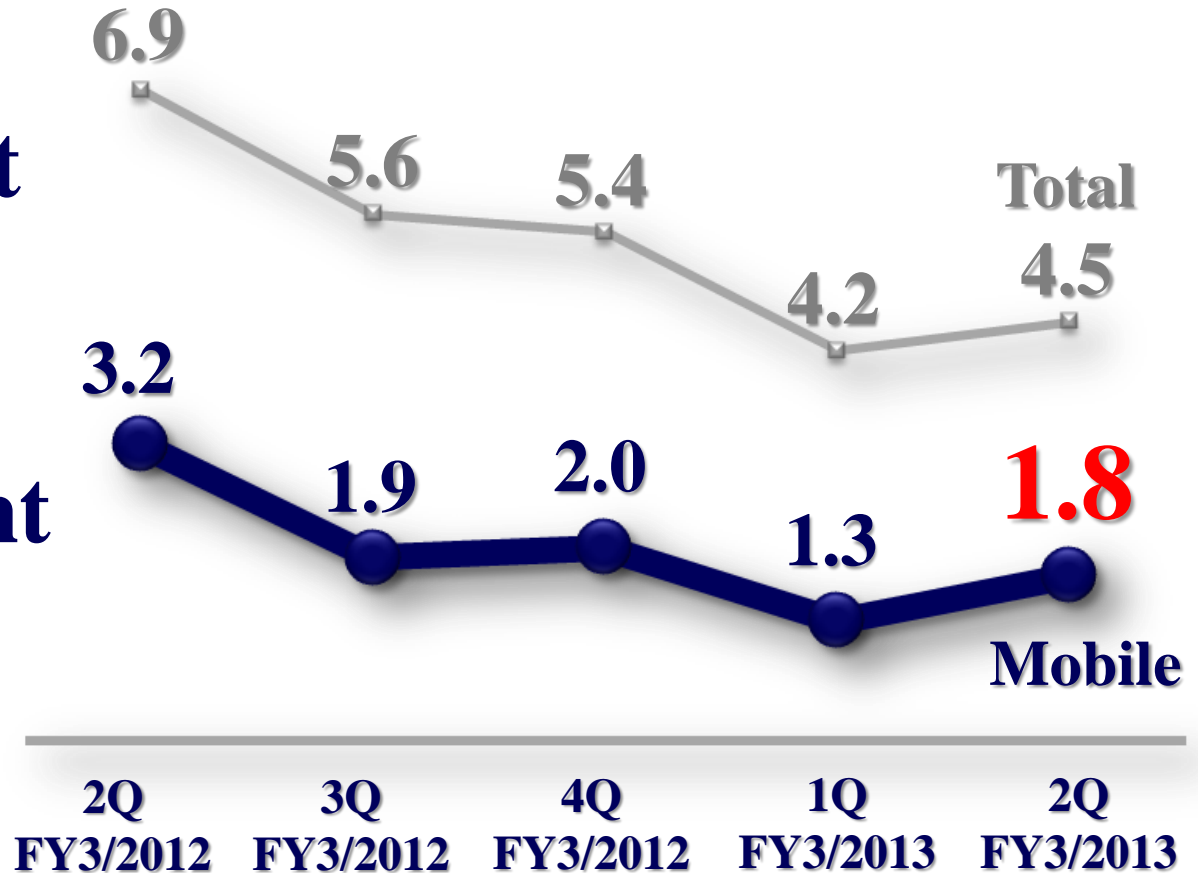
*** Mobile communications segment is used for the mobile revenue and ARPU includes module ARPU

**** Personal segment is used for the mobile revenue and total ARPU is used for the ARPU calculation

Mobile OP Quarterly Trend

(billion yen)

Recovery in operating profit due to increase in revenue and cost management

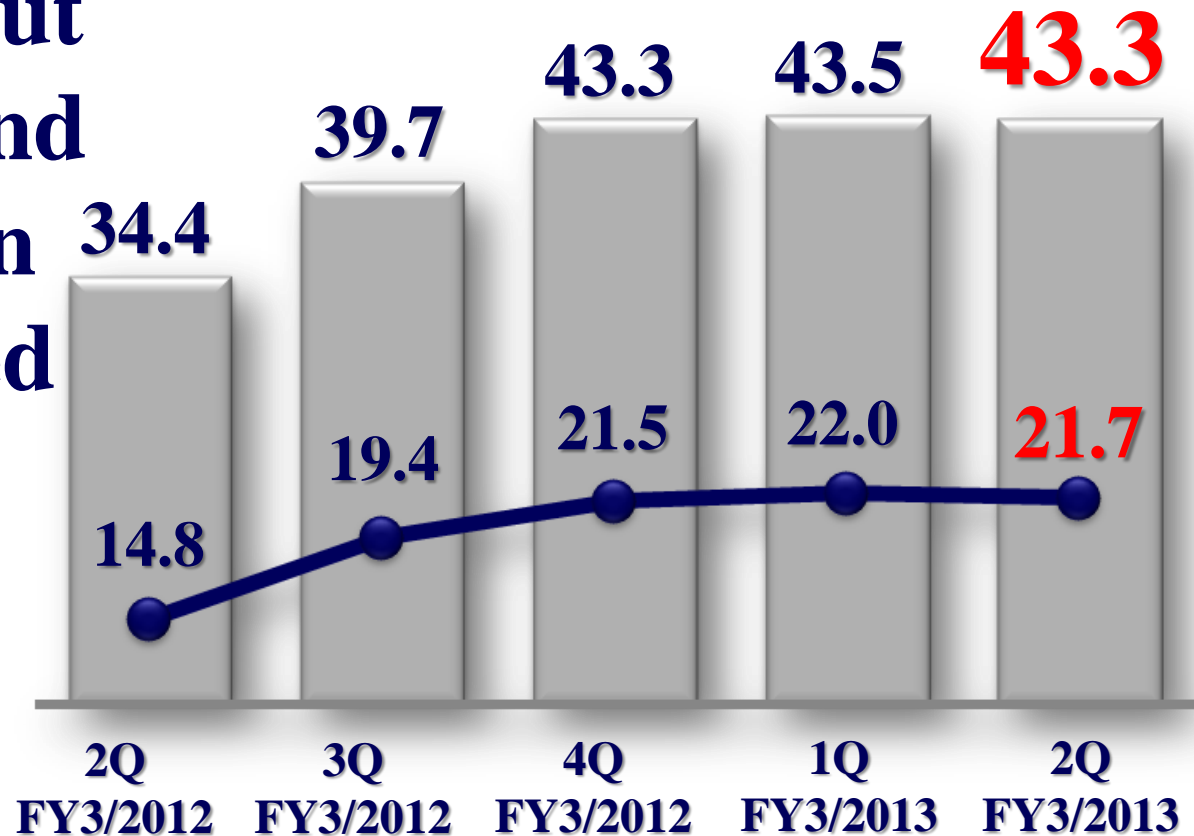


Mobile OPEX Quarterly Trend

Total OPEX
 Ad & Sales promotion

(billion yen)

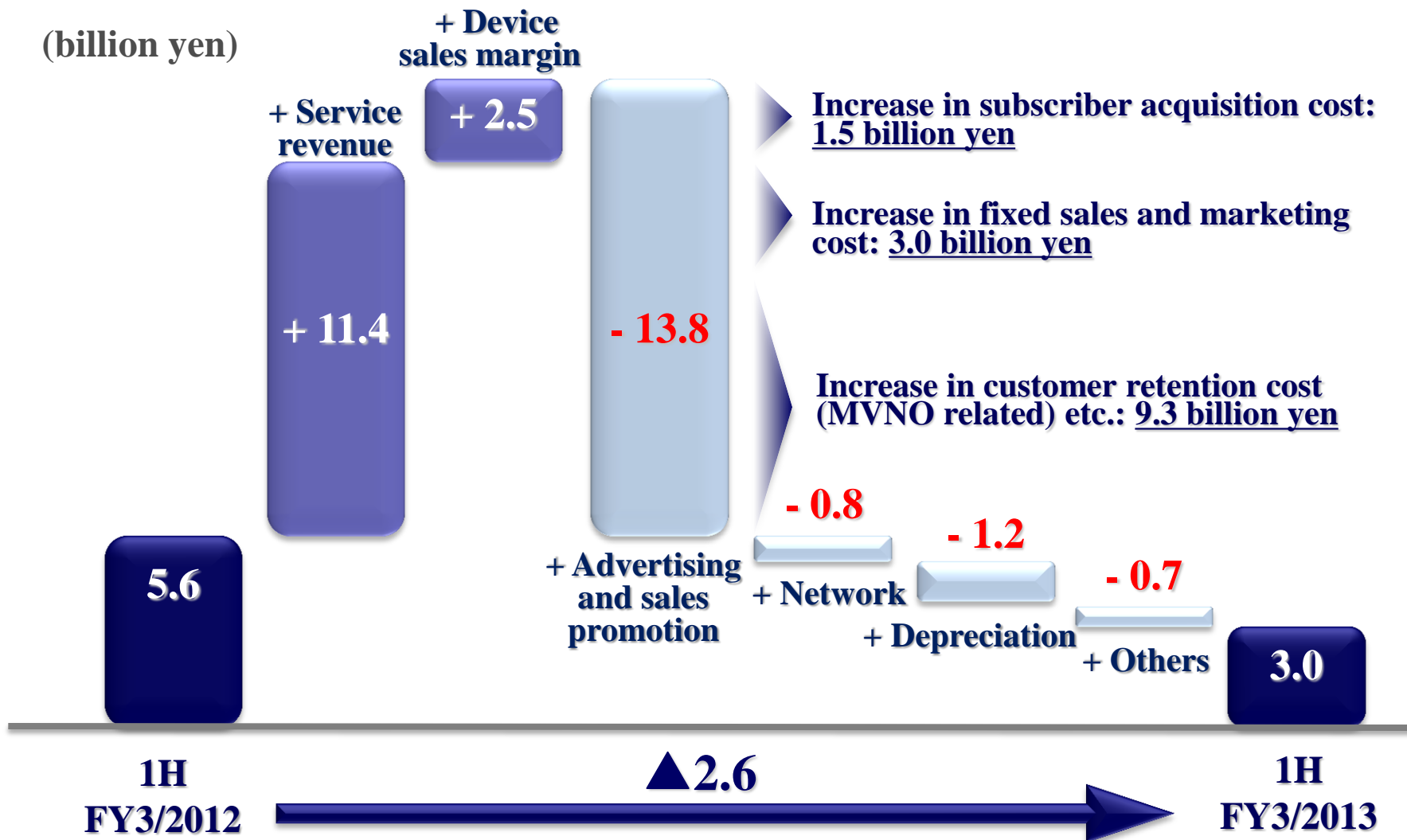
**OPEX peaked out
as advertising and
sales promotion
expense declined**



Mobile Cost Breakdown

	FY3/2012		FY3/2013
	1H	2H	1H
(billion yen)			
Revenue	73.1	87.0	89.8
Operating expenses	67.4	83.0	86.8
Advertising and sales promotion	29.8	40.9	43.6
Device and related tools	4.8	7.4	7.6
Network	6.2	6.8	7.0
Depreciation and amortization	16.2	17.1	17.4
Outsourcing	3.7	3.8	4.0
Salaries and benefits	3.4	3.4	3.5
Others	3.3	3.6	3.6
Operating profit	5.6	4.0	3.0

1H Mobile Operating Profit YoY Comparison



Cash Flows

(billion yen)	1HFY3/2012	1HFY3/2013	YoY
EBITDA*	32.1	29.9	- 7%
CAPEX	- 14.3	- 18.0	26%
Operating FCF	17.9	11.9	- 34%
Interest	- 5.2	- 4.6	- 12%
Tax	2.6	- 0.0	-
Dividend**	- 1.5	- 1.5	-
Net FCF	13.8	5.8	- 58%

* EBITDA = Operating profit + Depreciation and amortization + Loss on inventory valuation + Depreciation included in R&D expenses + Material items of cash income in the non-operating profit & non-recurring profit

** Excluding redemption of preferred stocks

Balance Sheet

(billion yen)	3/2012	6/2012	9/2012
Cash	40.1	37.5	38.2
Debt*	226.3	222.4	226.0
Net Debt*	186.3	184.9	187.8
Net Assets	86.4	86.6	85.9
Net Debt/Net Assets	2.16X	2.13X	2.19X
EBITDA (LTM)**	62.4	62.0	60.4
Net Debt/EBITDA	2.99X	2.98X	3.11X

* Gross debt and Net debt exclude valuation of bonds attributed to valuation of derivatives

** EBITDA = Operating profit + Depreciation and amortization + Loss on inventory valuation + Depreciation included in R&D expenses + Material items of cash income in the non-operating profit & non-recurring profit

eAccess

Broadband services

Appendix

Operational KPI

		2Q FY3/2012 (Actual)	3Q FY3/2012 (Actual)	4Q FY3/2012 (Actual)	1Q FY3/2013 (Actual)	2Q FY3/2013 (Actual)	FY3/2013 (Forecast)
Mobile	Subscribers	3,579,000	3,800,000	4,017,000	4,137,800	4,258,900	4,500,000
	ARPU (yen)	2,730	2,730	2,680	2,680	2,710	2,800
	Monthly churn rate	1.44%	1.54%	1.50%	1.45%	1.53%	1.60%
	SAC (yen)*	16,000	12,000	14,000	15,000	13,000	16,000
ADSL	Subscribers	1,744,000	1,661,000	1,565,000	1,461,000	1,375,000	1,200,000
	ARPU (yen)	2,006	1,998	1,992	1,987	1,983	2,000
	Monthly churn rate	2.14%	1.97%	2.32%	2.53%	2.22%	2.40%
	SAC (yen)	7,000	6,000	7,000	7,500	8,500	6,500

* Mobile SAC: Including variable costs only (retroactively adjusted for FY3/2012)

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

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