

# eAccess Limited 【9427】

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Mid-Year Results for Fiscal Year 3/2004  
(4/2003 – 9/2003)



**November 11<sup>th</sup>, 2003**

I. 9/2003 Mid-Year Results Overview

II. 9/2003 Mid-Year Financial Results

III. Major Achievements from the IPO

IV. Summary

**I. 9/2003 Mid-Year Results Overview**

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- Japan is the largest ADSL market in the world with subscribers reaching 9.2 million as of 9/2003
- eAccess' subscribers reached 1.18 million as of 9/2003, an increase of 79% YOY
- EBITDA margin and operating profit margin reached 35.2% and 7.3%, respectively
- Net profit for 9/2003 Mid-Year at ¥550 million, exceeding our initial full year forecast of ¥400 million
- Raised ¥7.7 billion from the initial public offering which strengthened our financial base

# 9/2003 Mid-Year Results & 3/2004 Full Year Forecast

	3/2003	3/2004	
	2002/9 (Mid-Year Act.)	2003/9 (Mid-Year Act.)	2004/3E (Full-Year Est.)
Revenue	¥7.45 billion	¥17.40 billion	¥38.30 billion
Recurring profit	-¥3.48 billion	¥0.56 billion	¥1.00 billion
Net profit	-¥3.48 billion	¥0.55 billion	¥1.00 billion

## 9/2003 Mid-Year Results

- Cumulative subscribers reached 1.18 million, an increase of 79% YOY. Revenue also increased by 134% YOY
- 9/2003 mid-year net profit reached ¥0.55 billion, exceeding our initial full year forecast of ¥0.40 billion

## 3/2004 Full Year Forecast

- Revenue increased by 89% YOY
- Net profit forecast is revised up to ¥1 billion, 150% upward revision from our initial forecast of ¥0.40 billion
- Operating expenses are reduced mainly due to higher capacity utilization rate and lower backbone cost using dark fiber

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# Broadband Market Growth in Japan

**ADSL dominates the growth of Japan's broadband market**

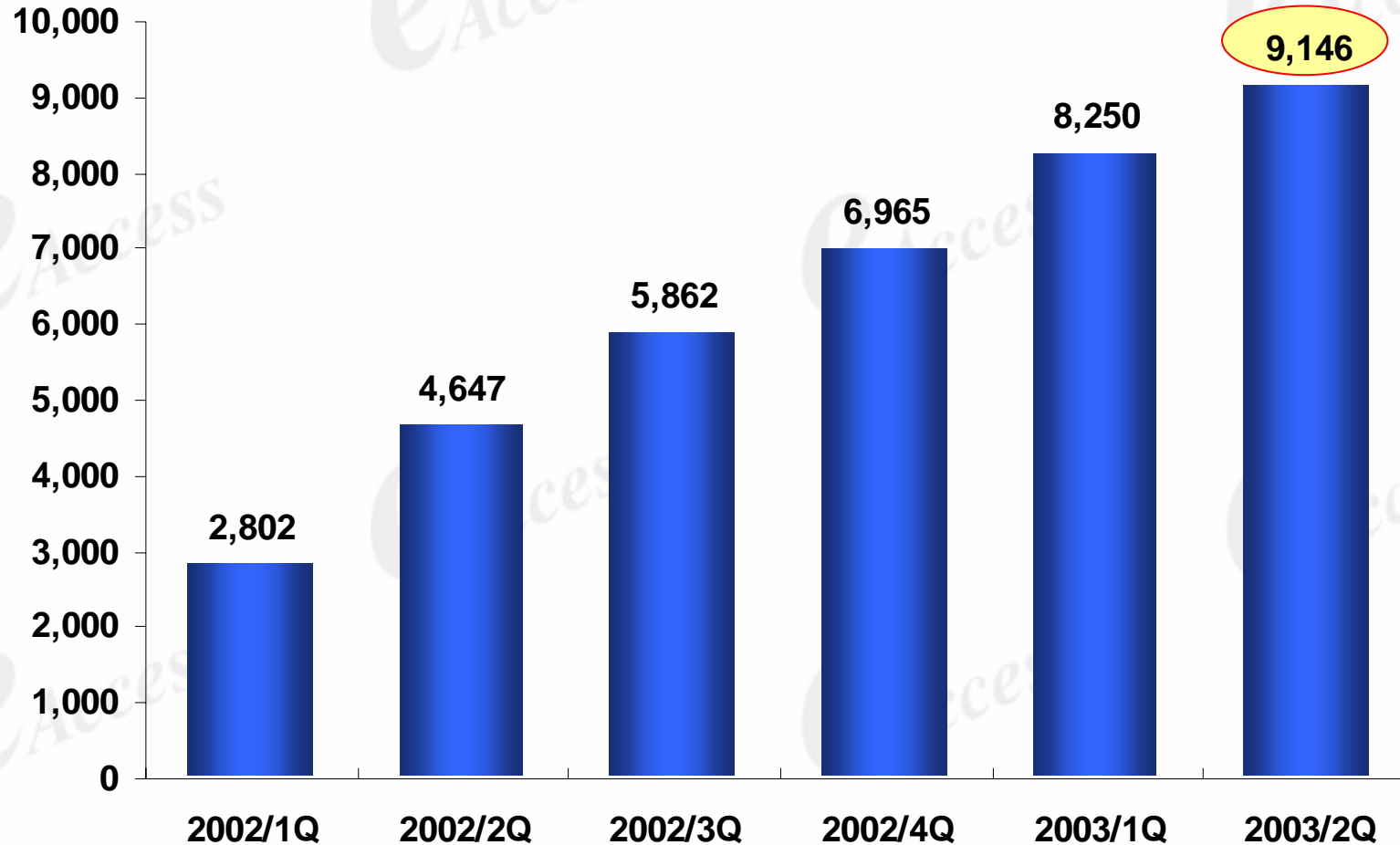


Source: MPHPT

# eAccess Subscriber & Revenue Growth

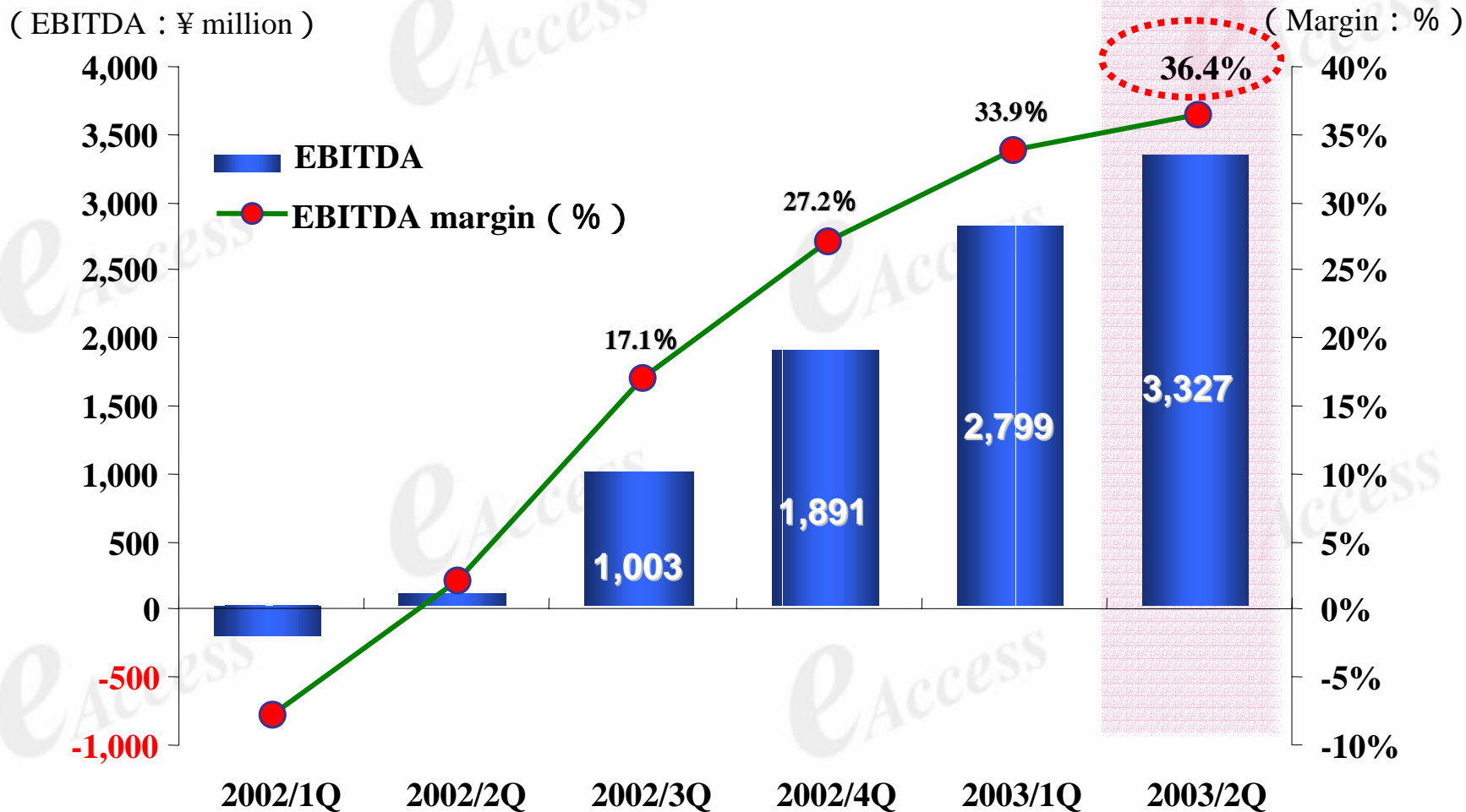
Revenue increased by 97% YOY

(Revenue: ¥ million)



# EBITDA and EBITDA Margin Trend

**Strong EBITDA growth and EBITDA margin improved to 36.4%**

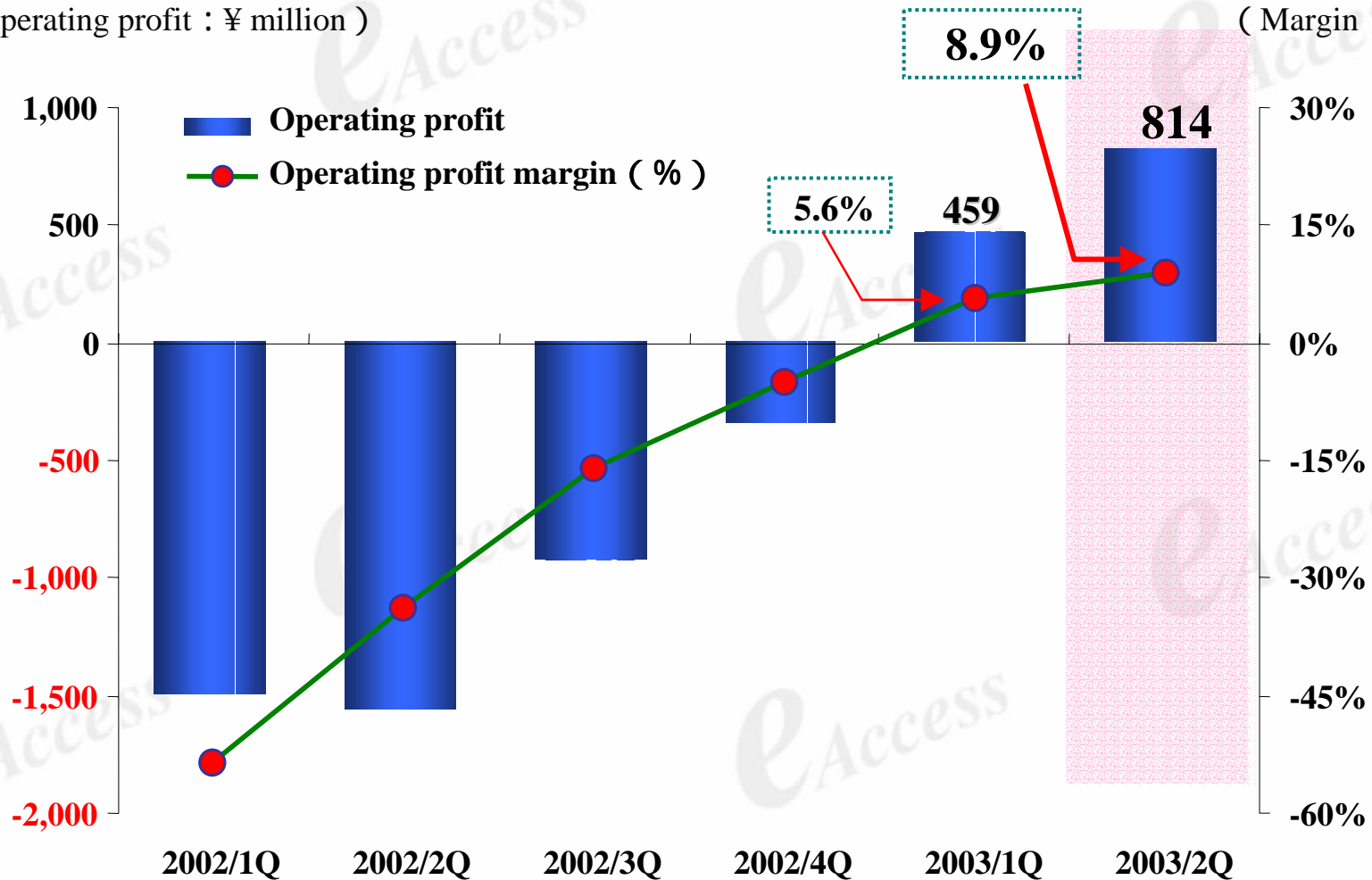


# Operating Profit and Operating Profit Margin

Achieved operating profit of ¥1.27 billion for 9/2003 mid-year period

( Operating profit : ¥ million )

( Margin : % )

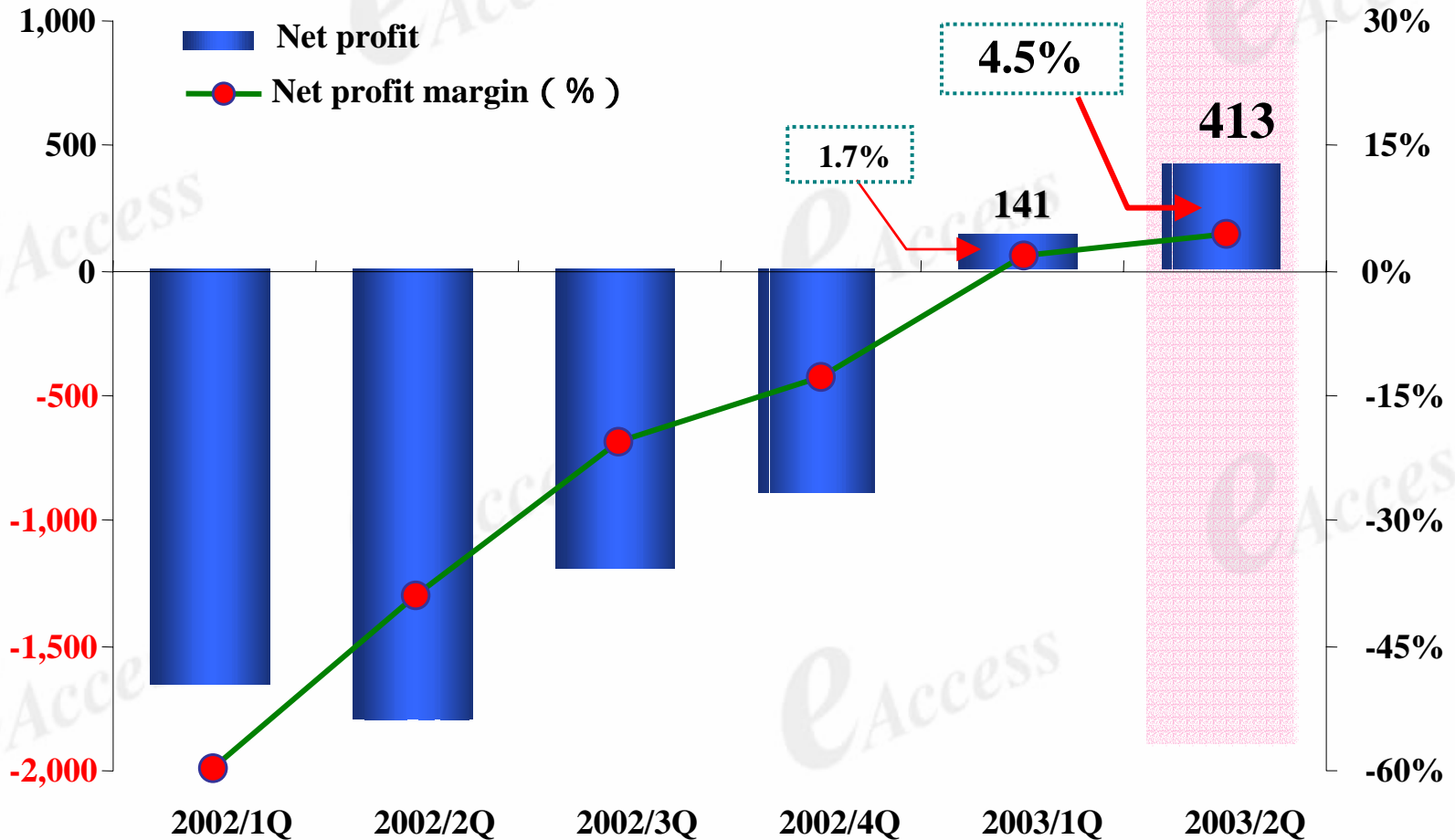


# Net Profit and Net Profit Margin

**Net profit for 9/2003 mid-year period reached ¥550 million**

( Net profit : ¥ million )

( Margin : % )



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**III. Major Achievements from the IPO**

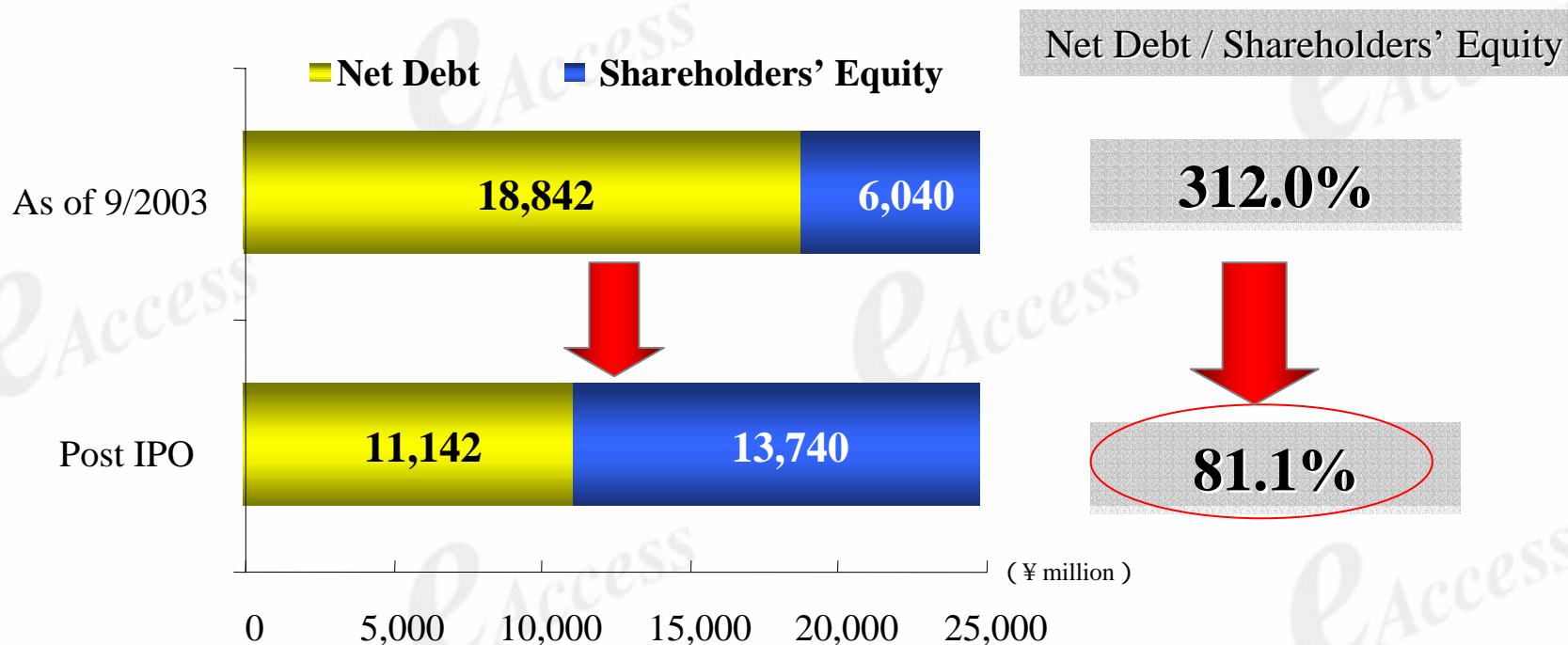
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# IPO on the Tokyo Stock Exchange Mothers

<b>IPO Date</b>	October 3, 2003
<b>Number of New Shares Issued</b>	46,000 shares (including 6,000 shares for Over-allotment)
<b>IPO Price</b>	¥180,000 (opening price ¥250,000)
<b>IPO Net Proceeds</b>	¥7.7 billion (including ¥1.0 billion over-allotment)
<b>Use of the Proceeds from Capital Increase</b>	Capex for new subscribers, repayment of loans, working capital (including lease payments)
<b>Shareholders Capital</b>	9/2003 ¥19.8 billion      ¥27.5 billion (post-IPO)
<b>Cash Balance</b>	9/2003 ¥14.8 billion      ¥22.5 billion (post-IPO)
<b>Net Debt Balance</b>	9/2003 ¥18.8 billion      ¥11.1 billion (post-IPO)
<b>Number of Shares Outstanding</b>	255,371 shares (295,277 shares: including potentially dilutive shares )

# Significant Improvement of Net Debt Ratio

Well-balanced net debt to equity capital structure



Strong balance sheet and capital structure following the IPO

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# Summary

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- Japan is the world's largest and one of the fastest growing DSL market
- Rapid growth in eAccess ADSL subscribers
- Strong growth in EBITDA and expanding EBITDA margin
- High quality ADSL and optical IP metropolitan network
- Well-balanced capital structure after the IPO (October 2003)



**Focus on Shareholder Value Maximization**

# Disclaimer

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