

May 17, 2004

PRESS RELEASE

Sachio Semmoto, CEO
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(TSE Mothers Code: 9427)

Notice on Elimination of Accumulated Deficit through Reduction of Additional Paid-in Capital

TOKYO - May 17, 2004 - The Board of Directors of eAccess Ltd. (the "Company") today resolved to submit a proposal to eliminate the Company's accumulated deficit through the reduction of the Company's additional paid-in capital, to the fifth Annual Shareholders Meeting on June 29th, 2004.

1. Purpose of the reduction of additional paid-in capital

Based on the Article 289 Para. 1 of the Commercial Code, the Company plans to allocate part of the additional paid-in capital to fully eliminate the accumulated deficit on the balance sheet. The Company has achieved its first full profitable year for the year ended March 31, 2004. The Company is transitioning from a start-up stage to a high growth stage with improving profits from existing business as well as investing in the new business model. The elimination of accumulated deficit is expected to improve the flexibility of the Company's future management strategy.

2. Reduction of additional paid-in capital

(1) Amount of additional paid-in capital to be allocated to eliminate accumulated deficit

Reduction in additional paid-in capital 11,938,482 thousand yen

(2) Balance after the reduction of additional paid-in capital

Capital shares	13,670,490 thousand yen
Additional paid-in capital	2,292,408 thousand yen
Accumulated deficit	0 thousand yen

3. Schedule of the reduction of additional paid-in capital

(1) Date of resolution by the Board of Directors: May 17, 2004

(2) Date of resolution by the shareholders: June 29, 2004 (plan)

(3) Effective date of the reduction of additional paid-in capital:

Upon shareholders approval in the
Annual Shareholders Meeting to be
held on June 29, 2004

End