

First Quarter Results for Fiscal Year Ending January 2007

ACCESS CO., LTD.
Toru Arakawa, President & CEO
June 19th, 2006



Disclaimer

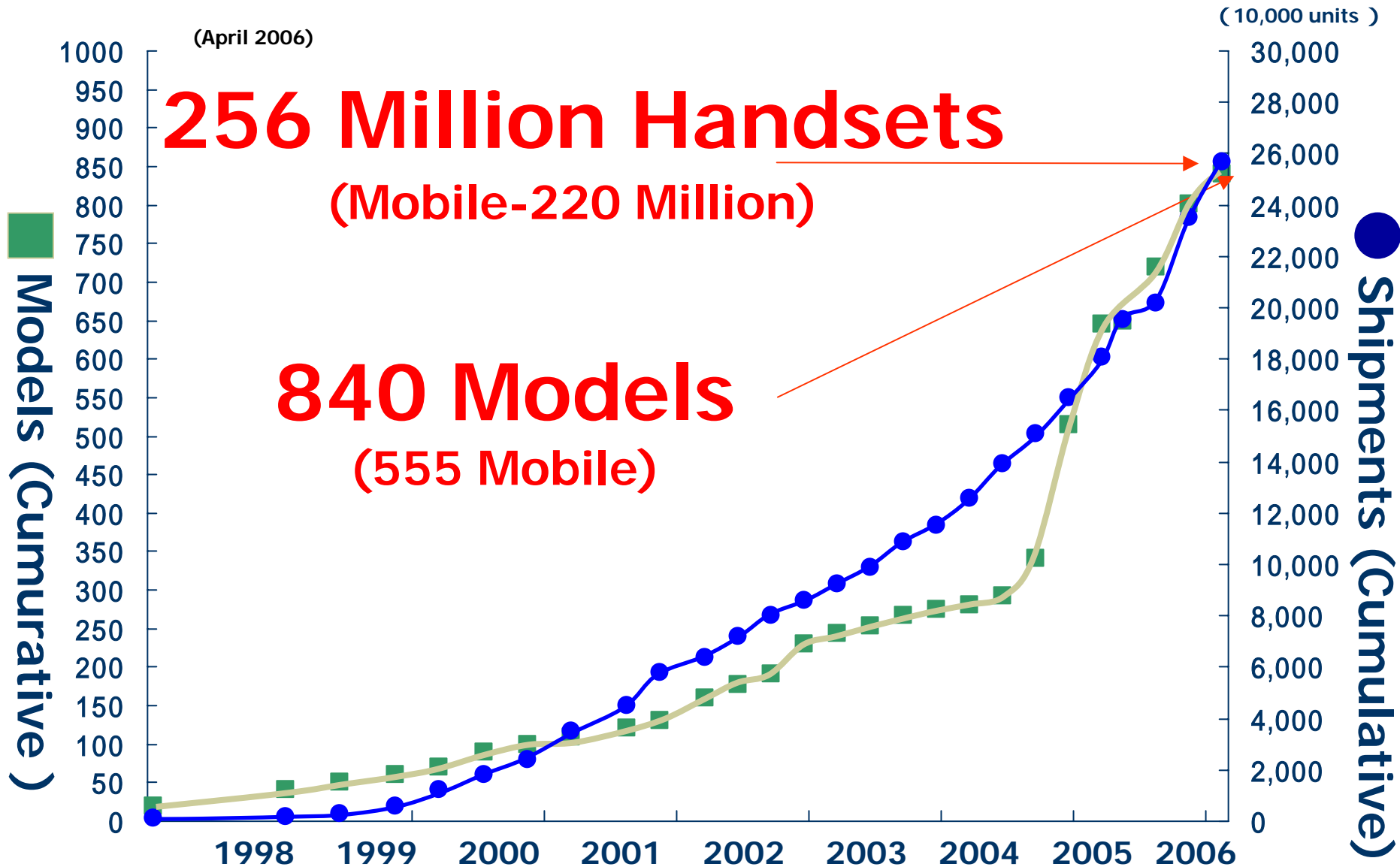
- **Targets for operating results and other forward-looking statements contained in this presentation represent management's judgments based on information available at the time this presentation was prepared. Such statements embody a variety of uncertainties.**
- **Consequently, actual results may differ from these targets and forecasts. Investors are therefore cautioned not to make investment decisions based solely on these forward-looking statements.**

Key Points of the presentation

- The results as of the first quarter of the 23th period show that NetFront installation accelerated on Samsung mobile phones and SonyEricsson mobile phones. Also, NetFront installation was initiated on Vodafone Japan mobile phones, and the terminals have been successfully shipped out targeting the start of the 1seg service.
- As a result of progress in the measures for the two issues (establishment of a production control system and new technological development) which were pointed out in the previous period, the gross profit of the entrusted development recovered from 18% to 37%. As for new technology, NetFront3.4 was released, and we have secured development capability for Office applications by acquiring Naraworks, Inc., Korea. Moreover, we are actively developing DLNA that realizes home networking.
- As a perspective for the 23th period, clarify the points for achieving global standards, i.e. point out the importance of obtaining a market share, advances in software, strategies for technical standardization, and efficient production and development systems for software, and develop a concept.
- Cumulative shipments of ACCESS software throughout the world reached 256.77 million. The cumulative number of ACCESS-equipped models reached 840 models (as of April, 2006).

. Product Shipments till 2007 1Q

Cumulative Shipments over 256 Million



Samsung Phones with NetFront Browser

- iMode phone series

- SGH-S341/342i (GSM)
- SGH-S400i/S410i(GSM)
- SGH-S500i (EDGE/GPRS)
- SGH-Z320i(3G)



S341

400i

500i

Z320i

ZV30

E860V

- Vodafone

- SGH-ZV10(LiveCast)
- SGH-E860V
- SGH-ZV30

- European GSM

- SGH-X800 (GSM)
- SGH-D800/D808
- SGH-E778
- SGH-D520
- SGH-X810



X800

D808

E778

D520

X810

- China GSM phone

- SGH-X808(GSM)
- SCH-i819(Smartphone) *
- SCH-X889 (CDMA) *

- Vodafone Japan

- V804SS

- US Cingular

- SGH-ZX10



ZX10

V804SS

X808

i819

X889

* JV2.0 bundle

SonyEricsson Phones with NetFront Browser

■ Walkman™ music phone series

(Walkman® player, RDS FM radio, Multimedia software, 2 megapixel camera)

- **W300i / W300c** Triband
- **W550i / W550c** Triband
- **W600i / W600c** Quadband+Edge
- **W710i / W710c** Quadband+Edge (announced)
- **W810i / W810c** Quadband+Edge
- **W850i** Triband+UMTS (announced)
- **W900i** Triband+UMTS



W300i /
W300c



W550i /
W550c



W600i /
W600c



W710i /
W710c



W850i

■ Cyber-Shot™ imaging phone series

(3.2 megapixel camera, xenon flash, image stabilizer, FM radio, QVGA screen)

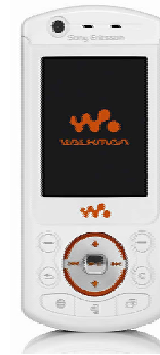
- **K790a / K790i / K790c / K800i** (announced)

K790a, K790i, K790c: Triband+EDGE

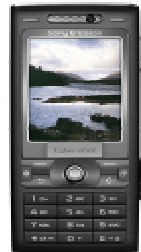
K800i: Triband+UMTS



W810i /
W810c /
W810



W900i



K790a /
K790c /
K800i /
K800c

■ Feature phone series

- **K310i / K310c / K310a** Triband (announ
- **K510i / K510a / K510c** Triband
- **K610i / K610c** Triband+UMTS (announced)
- **Z530i** Triband
- **Z710i / Z710c** Quadband+Edge (announced)
- **Z550i / Z550c** Triband (announced)



K310i /
K310c



K510i /
K510a / K510c



K610i /
K610c



Z530i



Z710i



Z550i

New: Vodafone Phones with NetFront Browser

Vodafone KK / Softbank Products



Installation of our browser on Vodafone (Softbank) mobile phones has been initiated, following NTTDoCoMo and KDDI mobile phones.

Will be continuously installed on future series.

Also installed on Verizon, Orange, and Cingular globally.

Palm Smartphone New Model



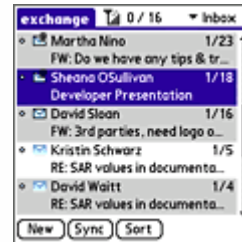
Palm Treo 700P Shipment

- 1st Product after Merger of PalmSource -

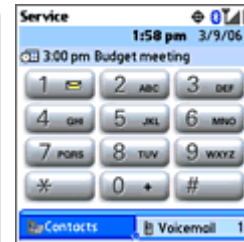
The new **Palm Treo 700p** smartphone

Will be continuously installed on future series.

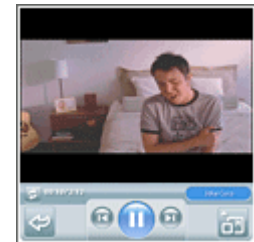
**ACCESS
POWERED™**



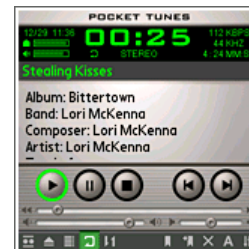
E-mail



Phone



Streaming Video



Music



Organizing Photo



Spreadsheet etc...



Treo™ 700P
SMARTPHONE

NetFront Browser with 1seg Phones

Broadcasting on commercial base began on April 1st 2006

Shipment keeps good pace
(About 600 thousand handsets: April 1st)



Sanyo (for KDDI) Panasonic (for DoCoMo)



CasioHitachi (for KDDI)



TV video part
(H.264)

Data content part
(XML-based)
ACCESS Browser

Penetration of NetFront in Non-Mobile Fields

Towards "NetFront Everywhere"

DTV



MITSUBISHI
REAL MX60 Series



Toshiba
Regza Series

Car Navigation



Pioneer
Cyber Navi 06 Spring Models

Game



SONY
PlayStation Portable

Terrestrial Digital Tuners



Pioneer
Terrestrial digital TV tuner
GEX-P7DTV



MITSUBISHI
Terrestrial digital TV tuner
TU-100D

DVD/HDD Recorder



Hitachi
Woo Series

CATV STB



HUMAX
CATV STB

Code Readers



DENSO WAVE INCORPORATED
S177A

Optical Fiber Fusion Splicers



FURUKAWA ELECTRIC CO., LTD
S177A



FURUKAWA ELECTRIC CO., LTD
S122

. Issues which emerged in the previous period and Initiatives

Issues which emerged in the previous period

In the 22nd results briefing, issues were pointed out regarding internal operations and technological development. Measures for these issues will be reported on the following pages.

Unsolved Issues in the 22nd period

▣ Issues regarding internal operations—establishment of a production system in order to deal with rapid increase in demand

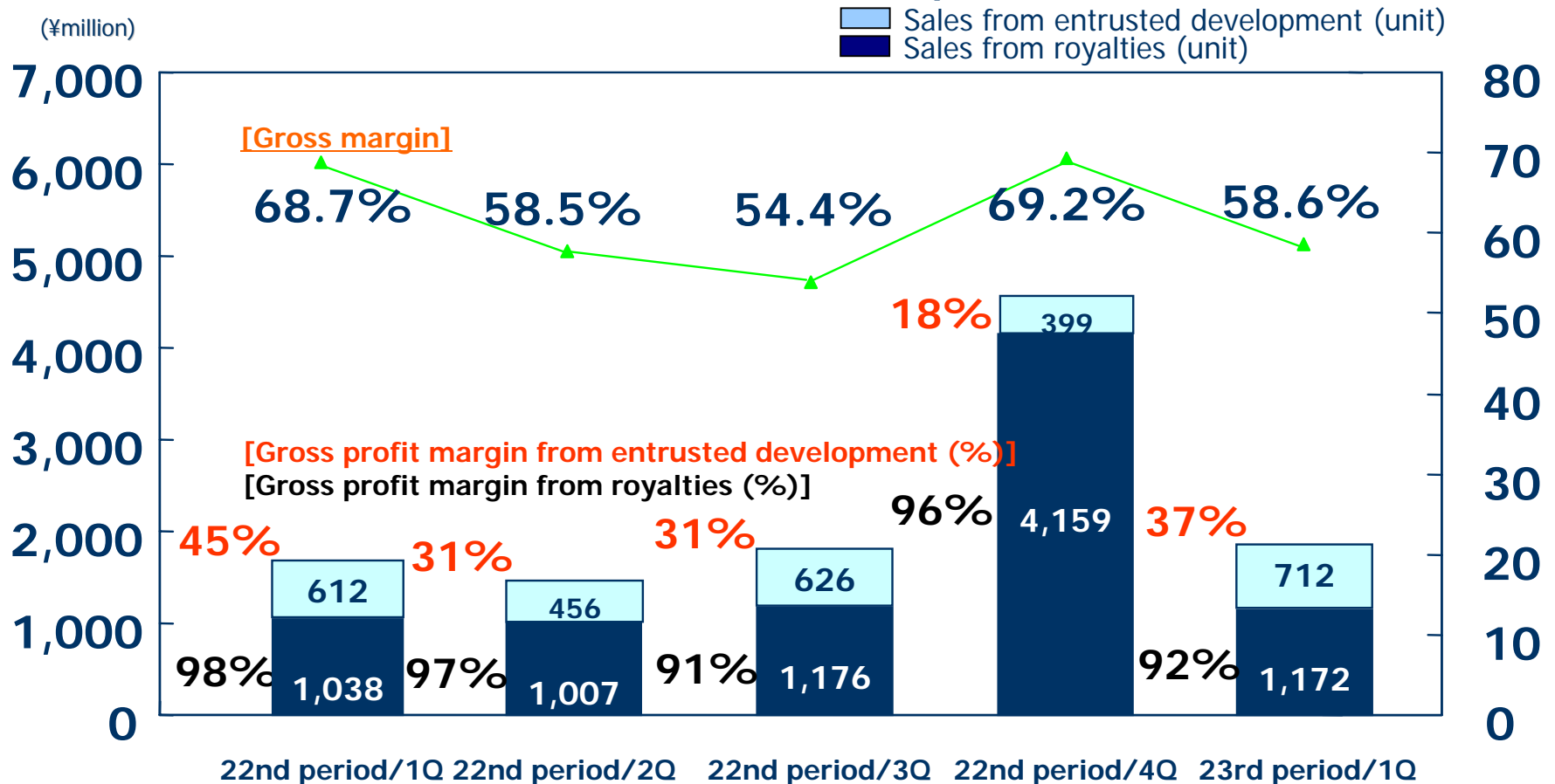
- The current business phase requires an increase in staff.
- The scale was expanded while generating profits; assets in the R&D division should be allocated to the production division.
- There is much room for improvement of gross margin ratio. A robust production control system is urgently needed.

▣ Issues regarding technological development—development of new technology

- New technology products such as a full browser and PDF viewer were shipped out in the 22nd period.
- It is recognized that aggressiveness is insufficient in R&D when compared to the past due to the measures for mass production.
- Establishment of a system enabling “sharp” technological development is urgently needed.

Improvement in gross profit from NRE

Gross profit margin from entrusted development 18% (22nd 4Q) -> 37% (23rd 1Q)
 Less profitable business due to inexperience with development turned around,
 improving the gross profit margin from entrusted development.
 Efforts will be made to achieve further improvement in the future.



Establishment of a global organizational system

Approx. 70% of 1,300 group employees contribute to R&D and support

Establishment of global organization utilizing regional characteristics is in progress



Nikkei Business issued on May 29, 2006

Appointments of Global Officers based on matrix management

Consisted of 4 C-Level officers and 11 operation officers including former PalmSource

Consolidation of PalmSource

Consolidation of former ACCESS US branch and former PalmSource

Organizational restructuring in China

Former PalmSource Nanjing and ACCESS China were consolidated

Establishment of ACCESS-Seoul

Along with acquisition of Naraworks, offices in Korea were consolidated as ACCESS-Seoul

New system of IPInfusion

After the acquisition, a new system was initiated.

Business cooperation with ACCESS headquarters is in progress



Reinforcement of organizational system for development

Reinforce the organizational system for development
utilizing the respective strengths of ACCESS headquarters and former PalmSource

Strengths of ACCESS headquarters —Client Driven—

Experience in responding to customers
around the world on an individual basis

- Operator
- Hand Set Vender

Experience in dealing with many projects
around the world

- Capability to respond to the development of various models
- Capability to provide high quality products
- Capability to respond to various devices

Strengths of former PalmSource —Product Driven—

Experience in maintaining the provision of
a single product to customers around the
world

- Maintaining development community
- Product release system
- Provision of excellent SDK

Experience in establishing development
processes

- Documentation, Q&A, testing
- Building and source code management
- Bug tracking



Strengths utilized to provide ACCESS Linux Platform

- Capability to respond to individual customers
- Development capability to build a solid platform

Technological Development: NetFront Browser v3.4

- ◆ Web2.0-capable (Ajax-capable, RSS-capable, etc.) (Released on Feb. 13, 2006)
- ◆ Visual Bookmark (Bookmark/Thumbnail function)



- ◆ Page Pilot
Pan&zoom navigation function for comfortably viewing Web sites on PCs using mobile devices of limited screen size.

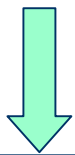


A&D: Naraworks, IP Infusion

Further Technological Development by Aquisition

Naraworks (Seoul, Korea)

- ▷ Document Viewer (Word, Excel, PowerPoint)
- ▷ Higher Function than Pictel
- ▷ Shipment to Willcom



+ ACCESS
Korea Office

Reorganization
Of ACCESS Seoul

Word



Excel



PowerPoint



IP Infusion (San Jose, US)



- ▷ Software for Multi-protocol Router & Switch
- ▷ Software for Home Gateway
- ▷ DLNA Client and Server

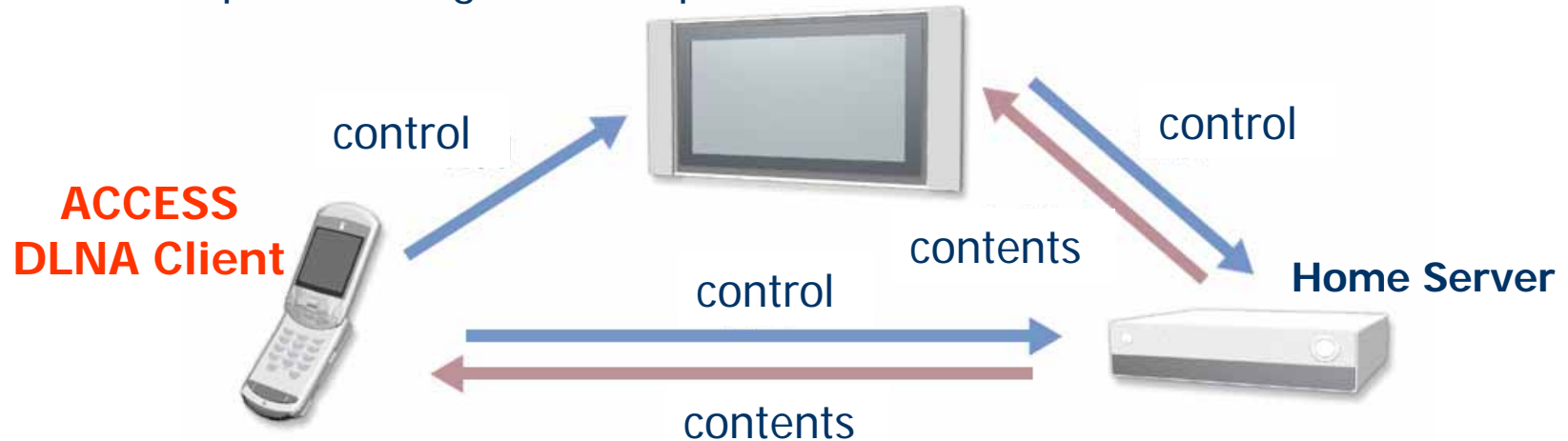


ACCESS is going to provide home networking products, taking advantage of networking technology of IP Infusion

Technological Development Concept (R&D): ACCESS DLNA Client

◆ Example of usage

- Display and replay video, music and images stored in the home server using a mobile phone.
- Output video, music and images stored in the home server to a TV, stereo set or printer using a mobile phone as a remote control.



◆ Overview

- Integration of AV equipment, PC and mobile device at home
- It is possible to enjoy images, music and video only via connection with the network (wired or wireless LAN, Bluetooth)
(No configuration required).

◆ Movement

- Member companies: Approx. 250 companies (as of July, 2005)
- DLNA guidelines v1.5:
Mobile devices, printers, etc. were added.
- Mutual Connection Test: May 2006, Spain

. Issues and Perspectives of this year

Key Points in achieving global standards

Obtaining market share

Gain further market-share with ACCESS Linux Platform

Gaining the lead in specifications through standardization efforts

W3C, OMA, 3GPP, IETF, ...efforts with various standards bodies

Conducting production development efficiently

In anticipation of global markets, proceed with the improvement of efficiency in further software and new technology development for surviving global competition.

Evolving software function

Obtain market share to establish a stronger foundation since continuous R&D is necessary. If evolution stops, price competition will take place due to commoditization.

Expansion of global market share

NetFront shipments in 2005: Approx. 70 million annually
Approx. 30 million for Japan (DoCoMo, KDDI, SONY PSP, ...)

Windows: Approx. 10 million annually for Japan

NetFront series has already reached an overwhelming volume in Japan.

NetFront shipments in 2006: Reaching 100 million annually

Being provided to all carriers in Japan including Vodafone KK

Installation on overseas company products including Samsung, Sony Ericsson, etc. has accelerated.

Share in global mobile phone makers

Nokia ... employed in high-end devices such as i-mode

Samsung ... NetFront is completely employed

Motorola ... employed in high-end devices such as i-mode

Sony Ericsson ... Volume model NetFront

LG ... employed in high-end devices such as i-mode

Approx. 70% in the world with these five companies

There is a possibility of accelerating shipments with ACCESS Linux Platform in 2007-2008.

Standardization strategy to enhance the market

To expand the market itself,

Providing software platform and Standardization Strategy Is important

Focal points in providing a software platform

- To secure openness and scalability
- Linux is easily supported among vendors (non-competitive areas).
- To specify the areas in which costs can be reduced (open sources do not necessarily lead to cost reduction).

Focal points for a standardization strategy

- Japan-specific specifications can be a temporal entry barrier and a bottleneck in overseas expansion, resulting in losing the competition for global scale costs.
- Competition in specifications is a competition for a global standards base and proprietary extension
- Unnecessary competition in certain areas should be avoided (e.g. DRM, encryption methods).

Human resources for achieving standardization and the lead in technology

Under the management of ACCESS headquarters

Main staff contributing to R&D organization



Elizabeth Dykstra-Erickson

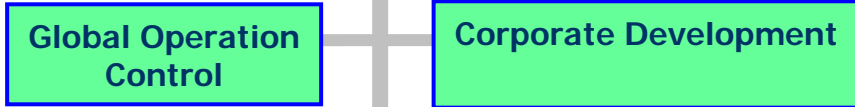
Toshihiko Yamakami

Organization, main achievements

- CHI (Leading UI technology)
- ACM Interactions Magazine Co-Editor-in-Chief
- ACM SIGCHI Executive Committee

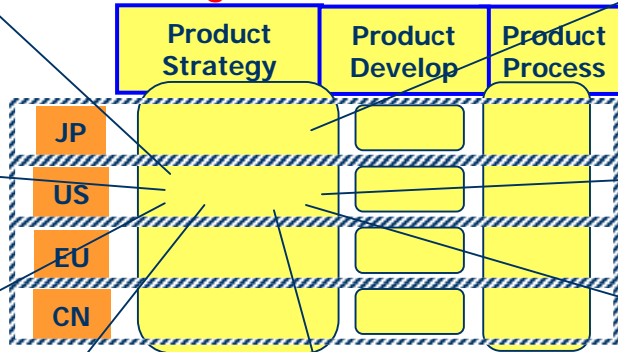
Organization, main achievements

- W3C xHTML Basic Co-Editor
- OMA WML2 Editor
- Browsing 2.2 ETR Editor
- PHSMOU Ad hoc 2 Chair



Global Organization

Local R&D organization



Dr. John Ostrem



Organization, main achievements

- LIPS Forum
- C-Linux Forum (Linux 規格をリード)
- OSDL Mobile Linux Initiative Chairman, Steering Committee

Francois Willem



Organization, main achievements

- OMTP Advisor
- LIPS WG, Device Management, Spec Editor
- Device Customization, Spec Editor

Yan Cheri

Organization, main achievements

- LIPS Technology Service, Conventor

Michael Piquemal

Organization, main achievements

- LIPS Forum Executive Committee



Dr. Daniel Zucker

Organization, main achievements

- W3C SYMM WG Co-Chair
- W3C SMIL 2.1 Co-Editor
- 3GPP2

David Schlesinger

Organization, main achievements

- Security WG, Spec Editor
- File systems WG, Spec Editor

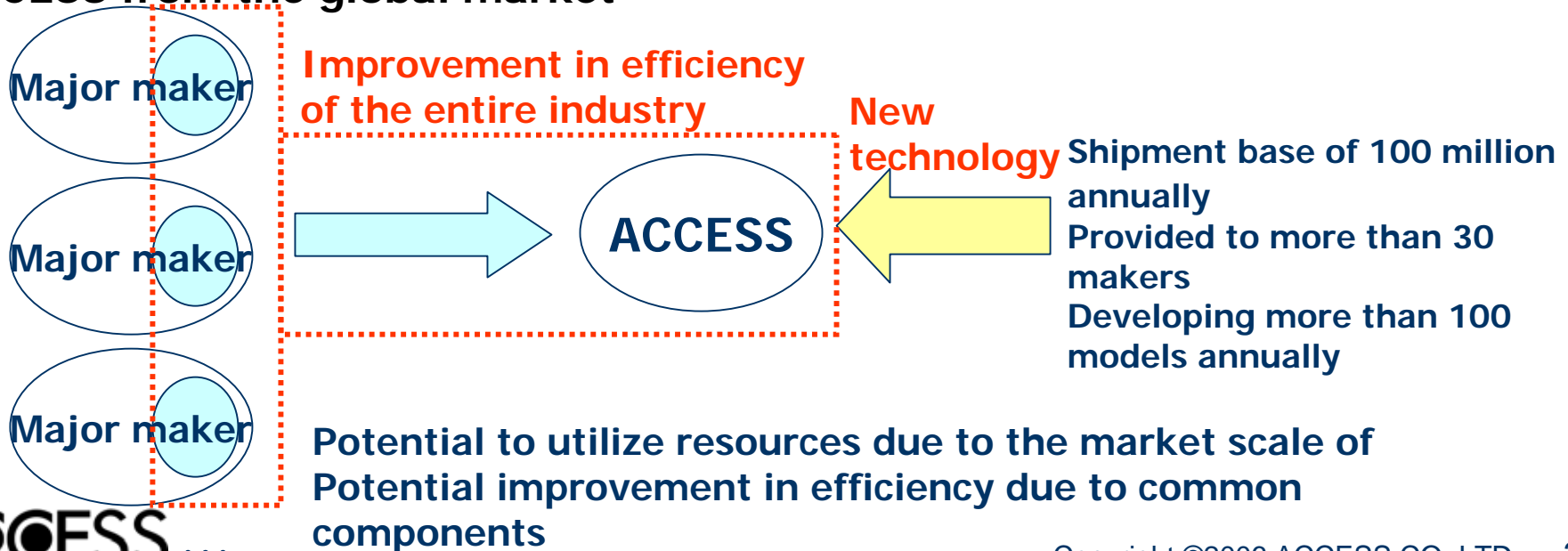
For improvement in development efficiency: Potential of cooperation models

Potential of two cooperation models

(1) Introducing new technology originating from Japan to the global market with ACCESS Platform as a channel

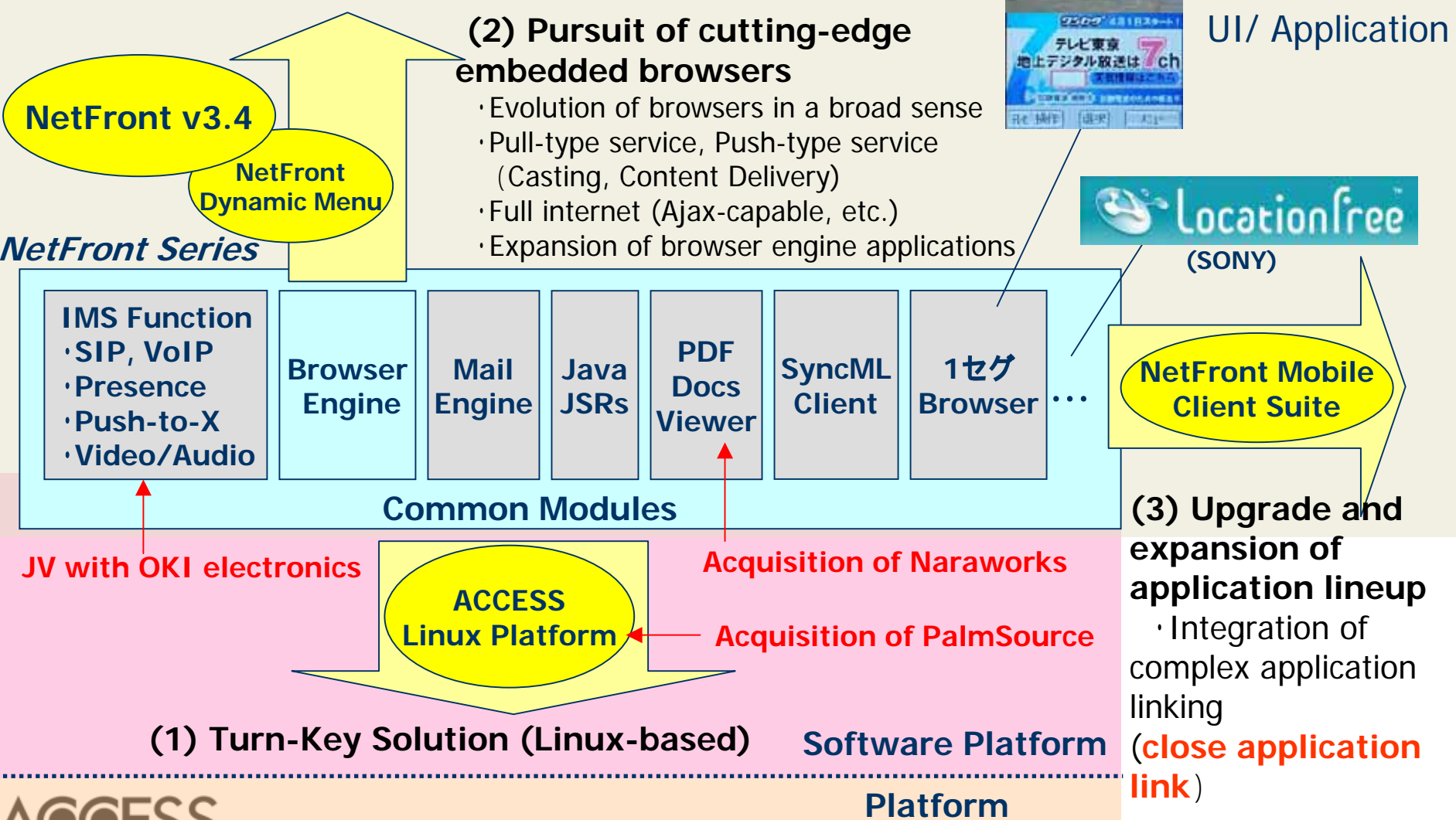


(2) Potential improvement in efficiency utilizing the resource demand of ACCESS from the global market



Direction of technological development

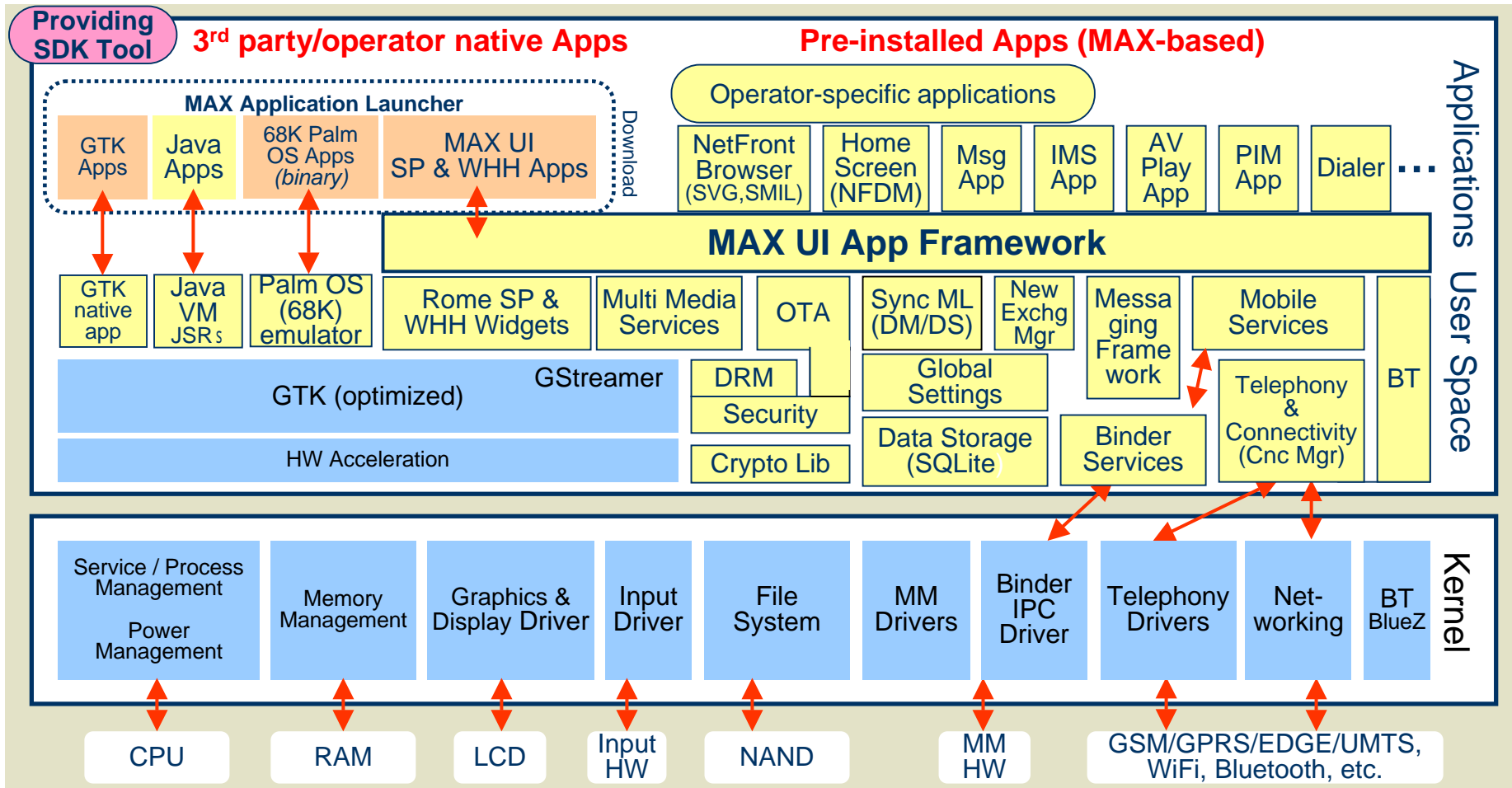
Direction of succeeding technological development in FY23



ACCESS Linux Platform (Software Platform)

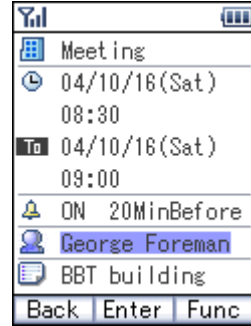
ALP includes excellent User Interface technology

➔ Will penetrate in the market with NetFront Dynamic Menu, NetFront Mobile Client Suite



NetFront Mobile Client Suite, NetFront Dynamic Menu, NetFront3.4

NetFront Mobile Client Suite



Components:

- NetFront™ Browser
- NetFront™ Message Client
- JV-Lite™2 Wireless Edition (MIDP, JTWI, Doja)
- NetFront™ SMIL Player
- NetFront™ SVG Viewer
- NetFront™ PIM
- NetFront™ SyncML
- Optional Middleware

Advantages:

- Components share resources
- Carrier specific profiles available
- Simple and easy porting
- OS Independent
- Designed for embedded environments
- Multi-language Support
- Multilingual mode is supported
- Supports easy UI customization



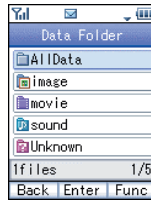
Top Menu



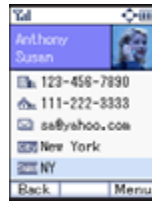
Browsing



Messaging



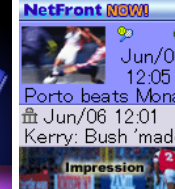
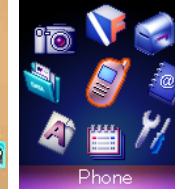
File
Manager



PIM

NetFront Dynamic Menu

Changeable UI

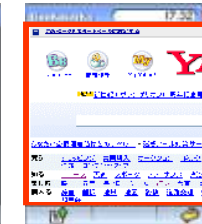
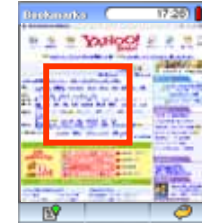


NetFront 3.4

- ◆ Web2.0 capable (Ajax capable, RSS capable etc..)
- ◆ Visual Bookmark (Bookmark·Thumbnail Function)

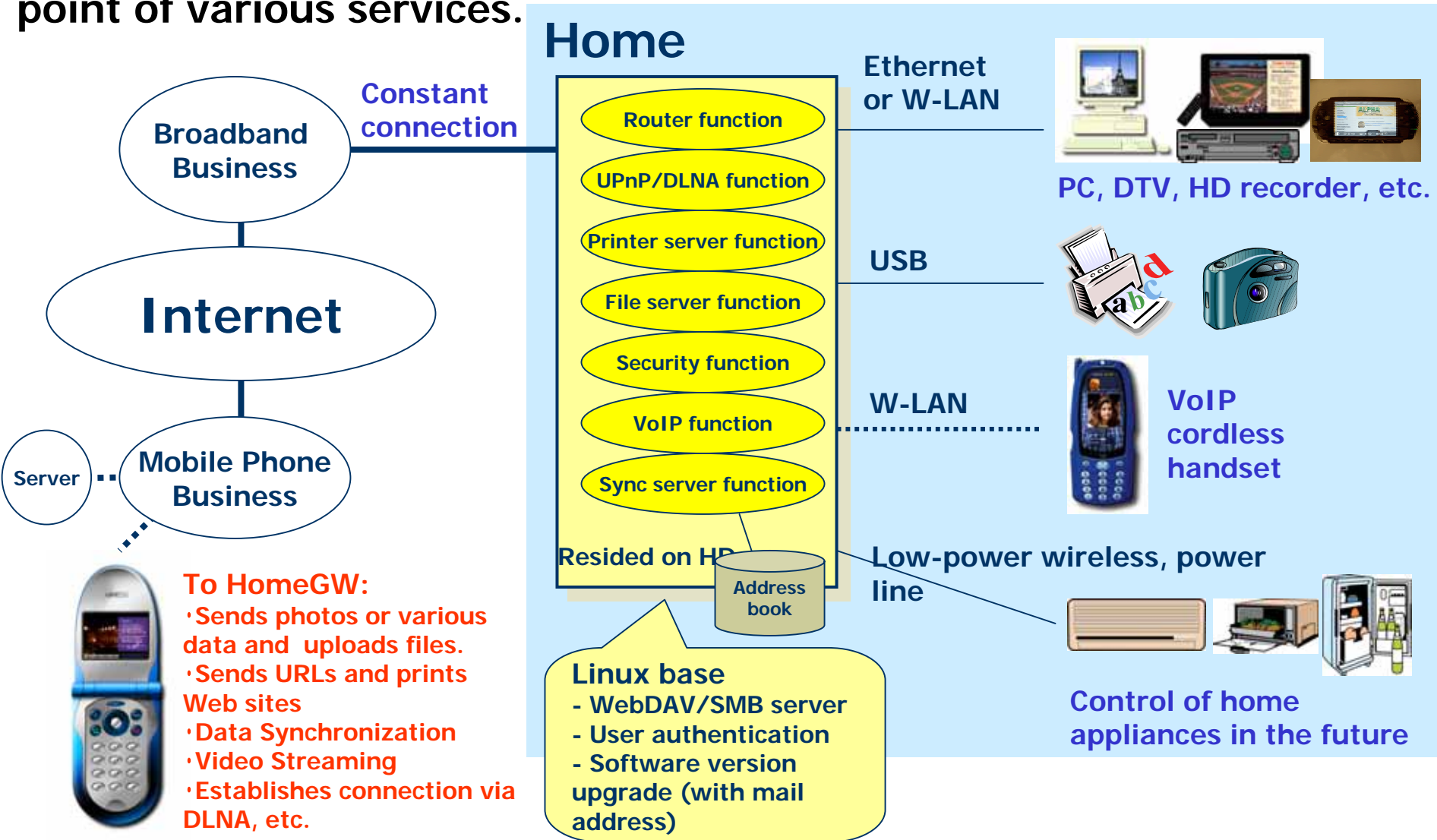


- ◆ Page Pilot
Pan&zoom navigation function for comfortably viewing Web sites on PCs using mobile devices of limited screen size.



For further technological evolution: ACCESS' Home Gateway

A gateway for connecting devices at home to the Internet. Base point of various services.



. Supplements

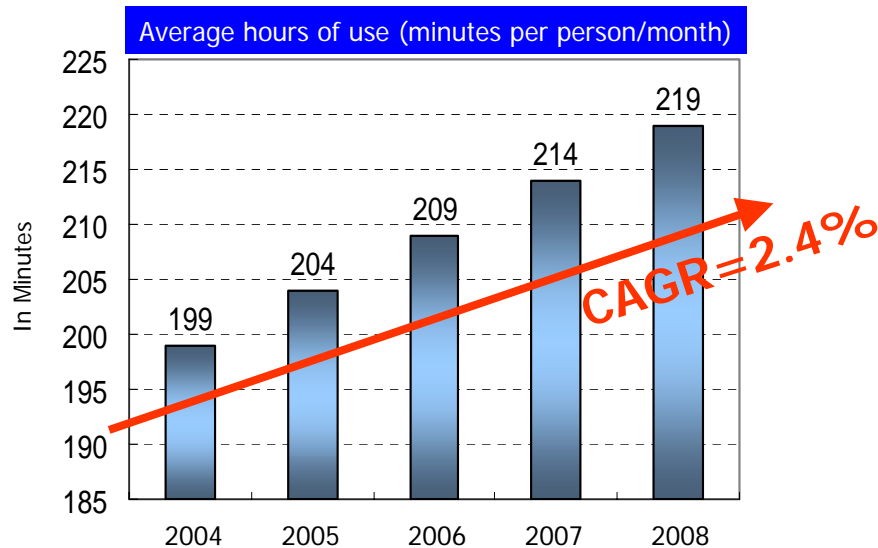
Growing global mobile market

Forecast for growth in the global mobile market

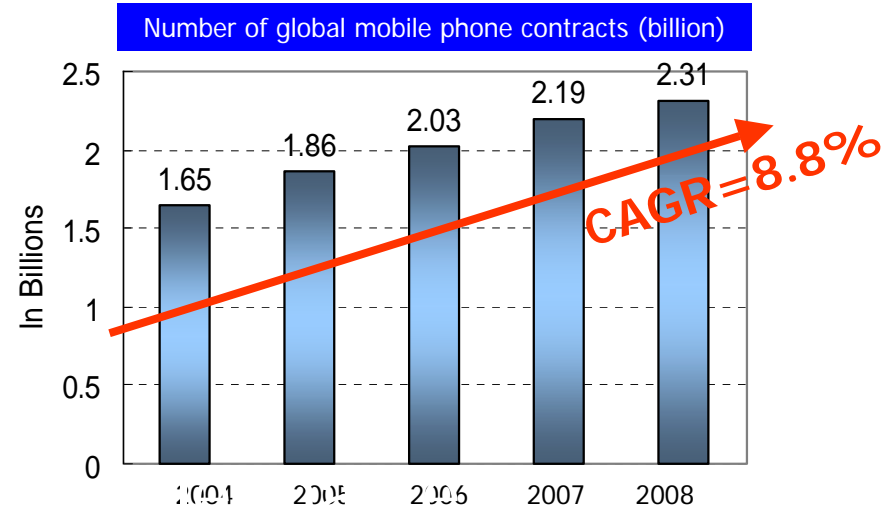
- Number of contracts
- Average hours of use
- Service revenues

All three of the above may increase

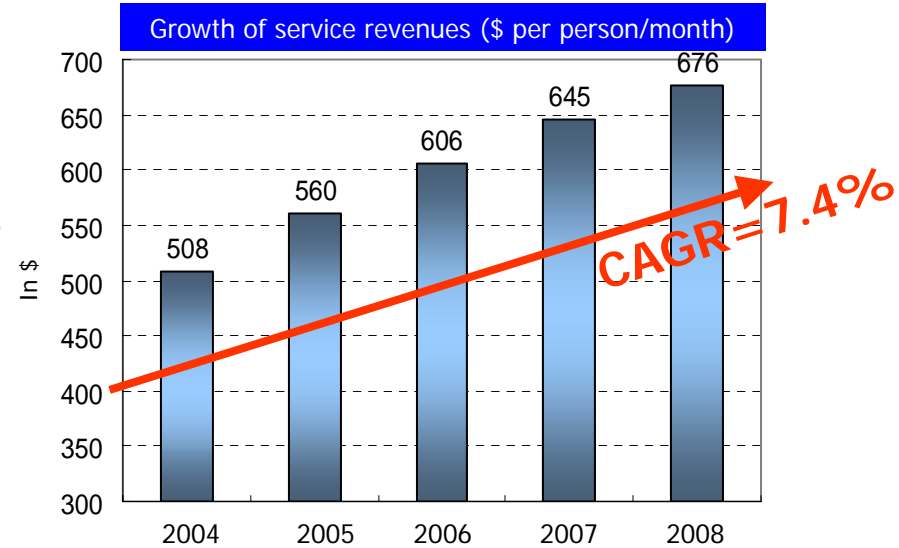
Global mobile market size in 2011 reach to 250 Billion\$
(In-Stat Co,Ltd prediction in March 2006)



Source: Morgan Stanley



Source: IDC Dec.2004



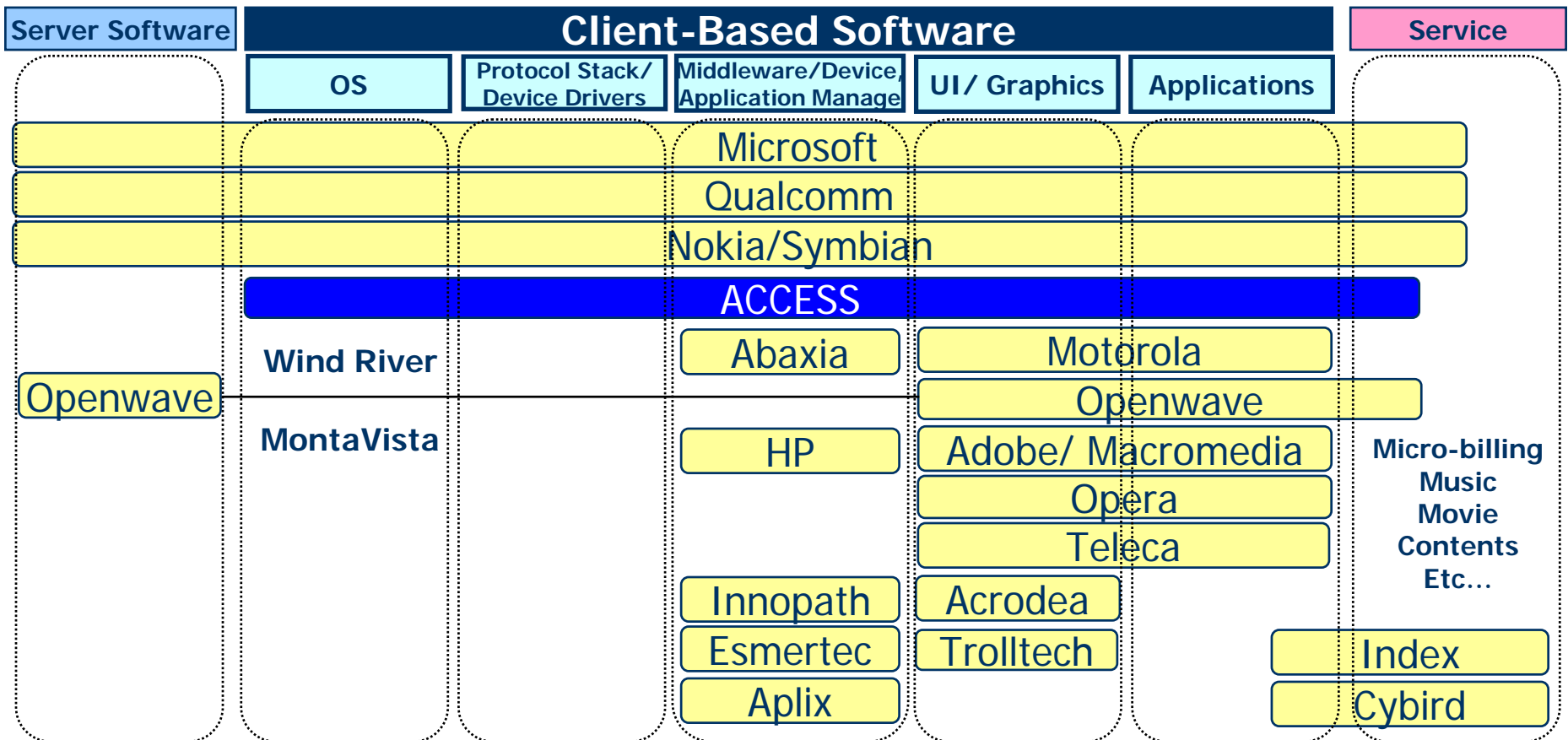
Source: Yankee Group 2005

Positioning Map in Embedded Software Sector

Our Positioning and Major Players in the market

Heading for vertical integration of client software

Key point may be to contain server software and end-user services



Major shipments in FY23 1Q

NTTDoCoMo

F902i

SH902i

SO902i

FOMA



F702iD

N702iD

SH702iD

D702iD

P702iD

FOMA



Dolce



Music Porter



Music PorterX



701iECO



Prosolid



SA 800i KIDS

FOMA



Wilcom



WX310J



WX310SA

KDDI

W43T

W41T

W41CA

W41S

NEW



Motorola

FOMA



M1000



FOMA Smpure L&N

FOMA



FOMA



FOMA

Nokia

FOMA NM850i G



FOMA RakuRaku phone



Major shipments in FY23 1Q

Digital TV



MITSUBISHI
REAL MX60 Series



Toshiba
Regza Series

Terrestrial Digital Tuners



Pioneer
Terrestrial Digital TV Tuner
GEX-P7DTV

DVD/HDD Recorder



Hitachi
Woo Series

CATV STB



HUMAX
CATV STB

Car Navigation



Pioneer
Cyber Navi 06 Spring Models

Code Readers



DENSO WAVE INCORPORATED
S177A

Optical fiber Fusion Splicers



FURUKAWA ELECTRIC CO., LTD
S177A



FURUKAWA ELECTRIC CO., LTD
S122

List of main press releases

06.04.20 News viewer for 3G mobile phones (equipped with BREW) "MX NewsViewer" is upgraded.

06.04.19 ACCESS NetFront^(R) is installed on optical fiber fusion splicers "S177A" and "S122" from the Furukawa Electric Co., Ltd.

06.04.06 ACCESS HTML browser implantation development kit for digital TVs/STBs "NetFront^(R) DTV Profile HTML Edition SDK" supports 4th MEDIA.

06.03.23 ACCESS NetFront^(R) Mobile Client Suite is installed on three models released by Vodafone KK for the first time.

06.03.14 Browser, e-mail and JavaTM runtime environments that meet FOMA^(R) specifications provided by ACCESS are installed on Nokia's first FOMA^(R) terminal "NM850iG."

06.02.28 Announcement of the acquisition of U.S. IP Infusion Inc.

06.02.14 ACCESS and PalmSource release "ACCESS Linux Platform."

06.02.13 ACCESS releases new version of "NetFront^(R) Browser v3.4."

06.02.09 ACCESS NetFront^(R) Mobile Client Suite supports the newest HSDPA chip set of Qualcomm

06.02.08 ACCESS NetFront^(R) v3.3 browser is installed on 4 models of Walkman mobile phone from Sony Ericsson.

06.02.06 ACCESS NetFront^(R) is newly installed on 11 models of SANYO mobile phone for the global market, totaling 38 models equipped with ACCESS NetFront^(R).