



1st Half FY2009

Earnings Results Briefing

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September 10, 2009**

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.**

1st Half Summary

○ Key Points

● Interim Financial Results

- Sales roughly in line with expectations
- Operating profit improved over estimates, due to SG&A cuts
- Full-year outlook is unchanged

● 2Q Mobile Phone Market Trends

- Shipments of mobile phones, Global: Year-on-Year -11%
- Shipments of mobile phones, Japanese market: Year-on-Year -28%
- NetFront™ series shipments: 36 million units (as forecast)

● Smartphone Initiatives

- Provide high-tech applications for smartphones

● Status of development of operator packs for NTT DOCOMO

- Development is on track for shipment of the '09 winter models.
- Working contract already concluded for '09 winter models. (June 11, 2009)
- Working contract already concluded for next models. (September 8, 2009)

● NetFront™ series results

- A cumulative total of more than 800 million products which include NetFront series have been shipped (end of July 2009)

FY2009 1st Half Financial Results



(Unit: JPY Million)

Consolidated

Consolidated	Budget	Results	Variance
Net Sales	6,927	6,903	-23
Products	3,918	3,652	-265
Royalty	3,008	3,251	242
Gross Profit	4,662	3,819	-842
(Gross Profit Ratio)	67.3%	55.3%	-12.0%
Products	1,771	1,003	-768
(Gross Profit Ratio)	45.2%	27.5%	-17.8%
Royalty	2,890	2,816	-74
(Gross Profit Ratio)	96.1%	86.6%	-9.4%
SG&A Expenses (Ordinary)	7,610	6,563	-1,046
R&D	3,255	2,880	-374
Other	4,354	3,682	-671
Operating Profit (before acquisition-related expenses)	686	671	-15
Ordinary Profit	-3,635	-3,416	218
Extraordinary Loss	-3,559	-3,165	394
Net Income	-2,027	-1,968	58

Non-Consolidated

Non-Consolidated	Budget	Results	Variance
Net Sales	4,706	5,591	885
Products	2,593	2,670	77
Royalty	2,113	2,921	808
Gross Profit	2,912	2,878	-34
(Gross Profit Ratio)	61.9%	51.5%	-10.4%
Products	1,158	699	-458
(Gross Profit Ratio)	44.7%	26.2%	-18.5%
Royalty	1,754	2,178	423
(Gross Profit Ratio)	83.0%	74.6%	-8.5%
SG&A Expenses (Ordinary)	6,267	5,879	-387
R&D	3,074	3,120	45
Other	3,192	2,759	-433
Ordinary Profit	-3,354	-3,001	352
Extraordinary Loss	-3,353	-2,803	549
Net Income	-1,810	-1,553	257

Interim Financial Results Trends

- Sales roughly in line with expectations
 - Due to curbed capital expenditure at communications companies, sales in the IPI division were lackluster, and this also had an effect on overseas subsidiaries.
 - Sales in the media services division were weak due to the effects of expenditure cuts for advertising, etc. as a result of the economic slowdown.
 - Royalty income was better than estimated due to strong shipments of Samsung mobiles.
- Deterioration of Gross Profit Margin
 - Gross profit margin of products sold deteriorated due to increased cost for some large-scale entrusted development projects.
 - Gross profit margin deteriorated as fixed costs could not be absorbed due to below-target sales for ASE (Europe) and AP (publishing company).
- Operating profit improved due to SG&A cuts
 - Containment of R&D costs
 - SG&A costs were reduced by controlling mid-career hiring.

We expect to achieve full-year projections.

2nd Quarter Mobile Phone Market Trends



● Global mobile phone shipments: 269.6 million units

Source: IDC

	April to June 2009	Market Share	Year-over-Year	Reference: April to June 2008	Trend
Nokia	103.2 million units	38%	-18.8 million units (-15%)	122 million units	↘
SAMSUNG	52.3 million units	19%	6.5 million units (14%)	45.8 million units	↗
LG	29.8 million units	11%	1.7 million units (6%)	28.1 million units	↗
Motorola	14.8 million units	6%	-13.1 million units (-47%)	27.9 million units	↘
Sony Ericsson	13.8 million units	5%	-10.6 million units (-43%)	24.4 million units	↘
Total for top 5 manufacturers	213.9 million units	79%	-34.3 million units (-14%)	248.2 million units	
Other	55.7 million units	21%	1.7 million units (3%)	54 million units	
Total	269.6 million units	100%	-32.6 million units (-11%)	302.2 million units	

● Domestic mobile phone shipments: 8.34 million units

Source: JEITA

	Shipments	Same month in 2008
April	1.88 million units	3.13 million units
May	2.6 million units	3.35 million units
June	3.86 million units	5.08 million units
Total	8.34 million units	11.56 million units

Rate of decrease slowing (improving)
1Q: -17%

- **Samsung and LG strong**
YOY shipments turned positive, market share increased
- **Nokia, Motorola, Sony Ericsson on the decrease**
Continued YOY decline, market share shrinking

● NetFront™ Series shipments: 36 million units¹

Shipments	Same period in 2008	Change
36 million units	42 million units	- 6 million units (-14%)

¹ NetFront Series was installed in 38 million units including non-mobile phone products in this quarter.

Approach to Japan Smartphone Market

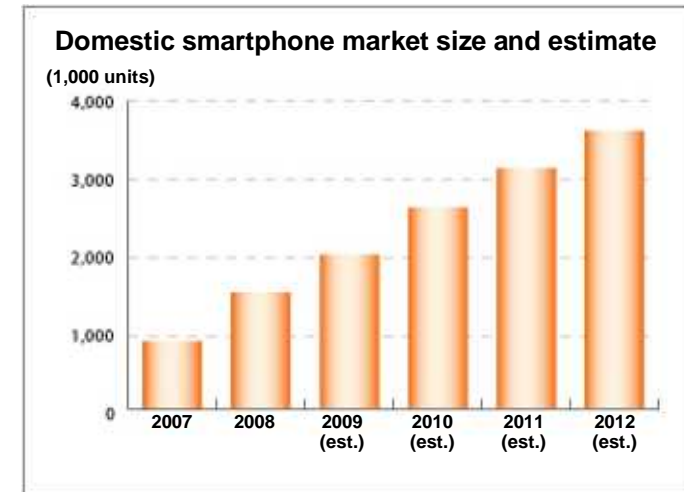


○ Japan Smartphone Market

- Percentage of smartphones increasing on a global scale to account for about 10% of the total volume of shipments.
- 2009 smartphone shipments in Japan: 2 million units, expected to account for about 5% of the total volume of shipments in Japan.
- Smartphones may occupy about 10% of the domestic volume of shipments in the future.

○ ACCESS' approach

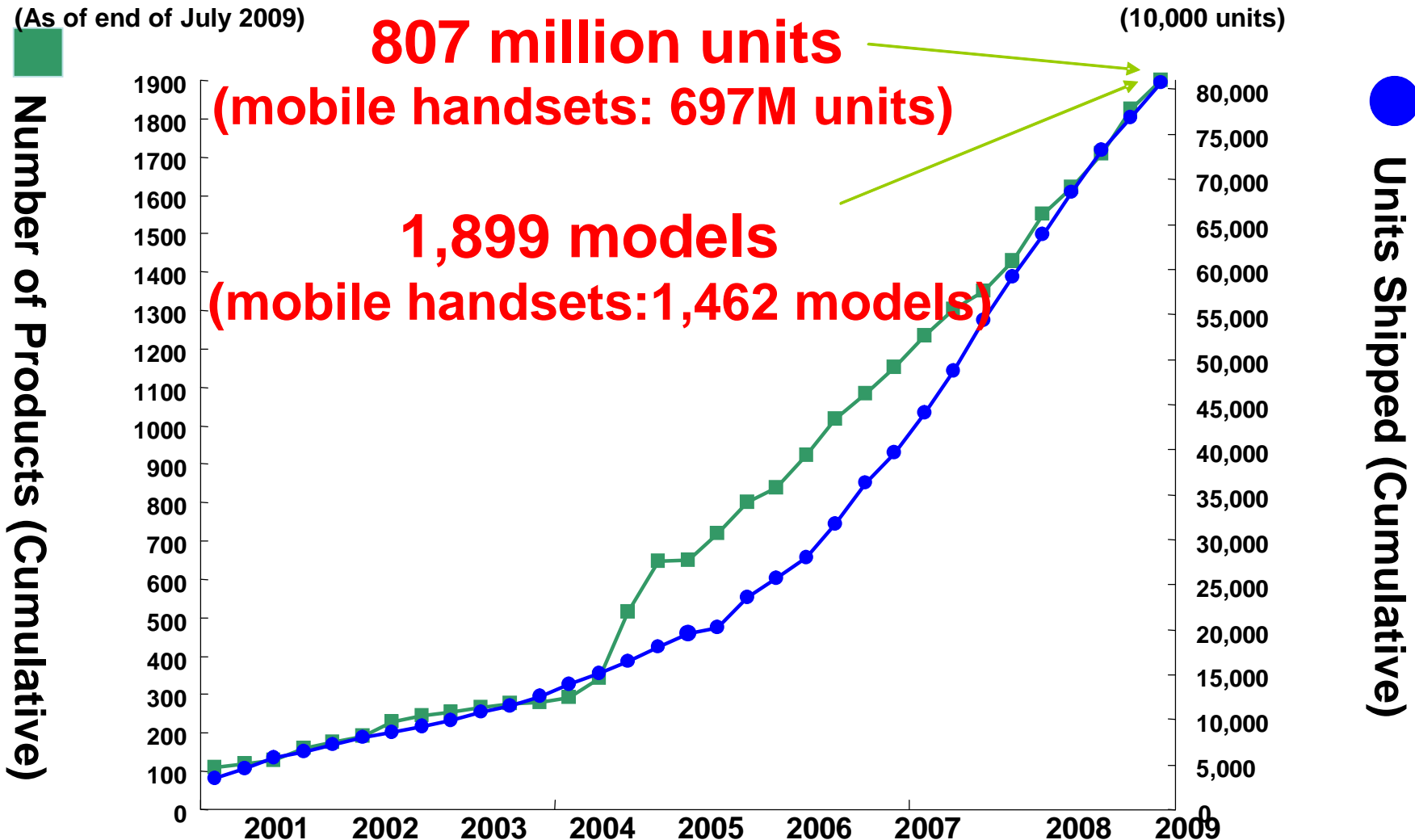
- Provide advanced applications for smartphones
 - Full browser and widgets provided for Toshiba TG-01.
- Some operator pack applications to be provided for smartphones in the future.
- Other applications for DLNA (consumer electronics interoperability), etc. to be provided as well.



(Note) Volume of shipments from manufacturers

(Estimate by Yano Research Institute)

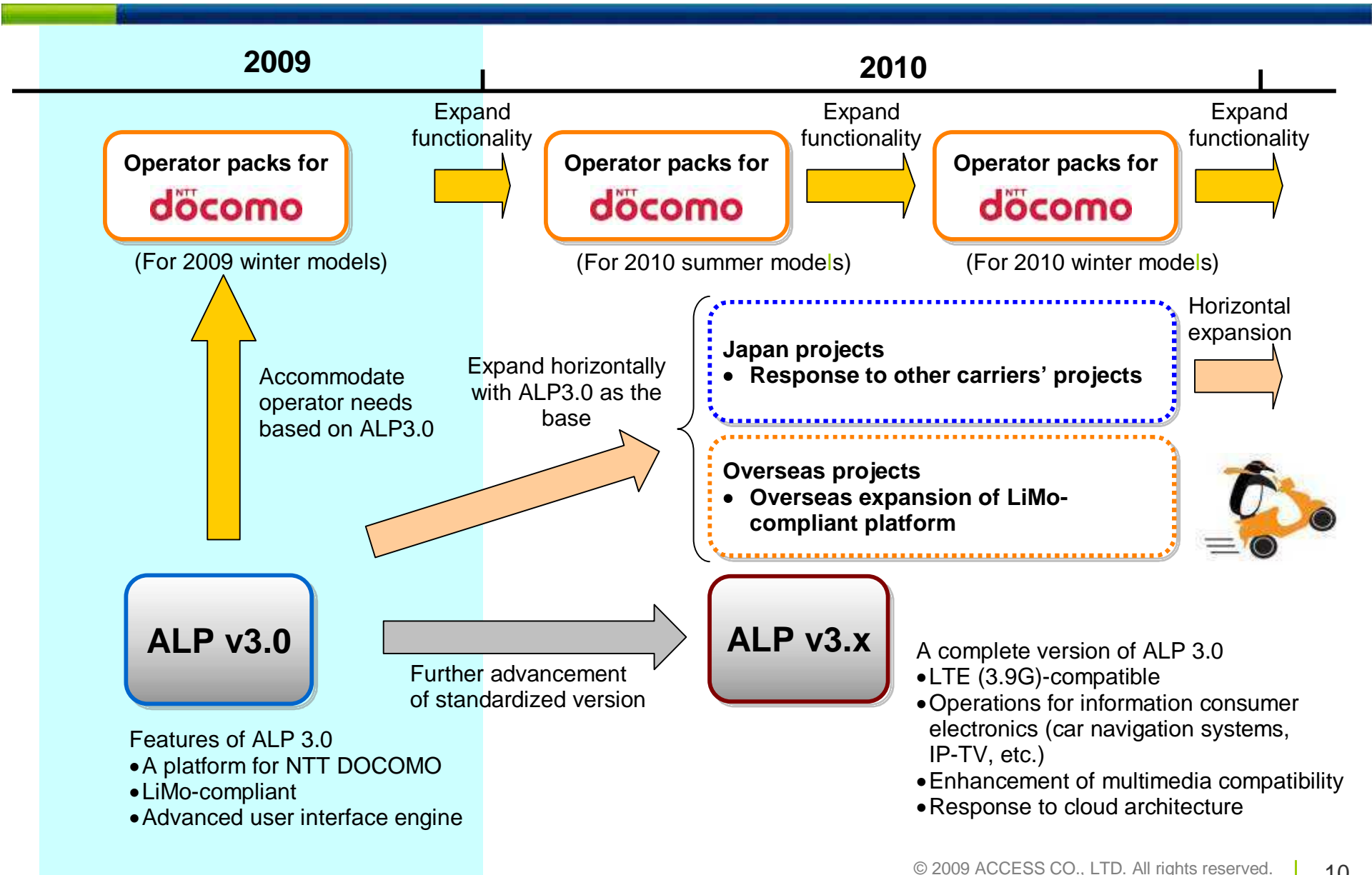
Over 800 million NetFront™ Series Units Shipped (Cumulative)



Main Products and Projects

I. ACCESS Linux Platform™ (ALP)

ALP Roadmap for FY2009 and FY2010



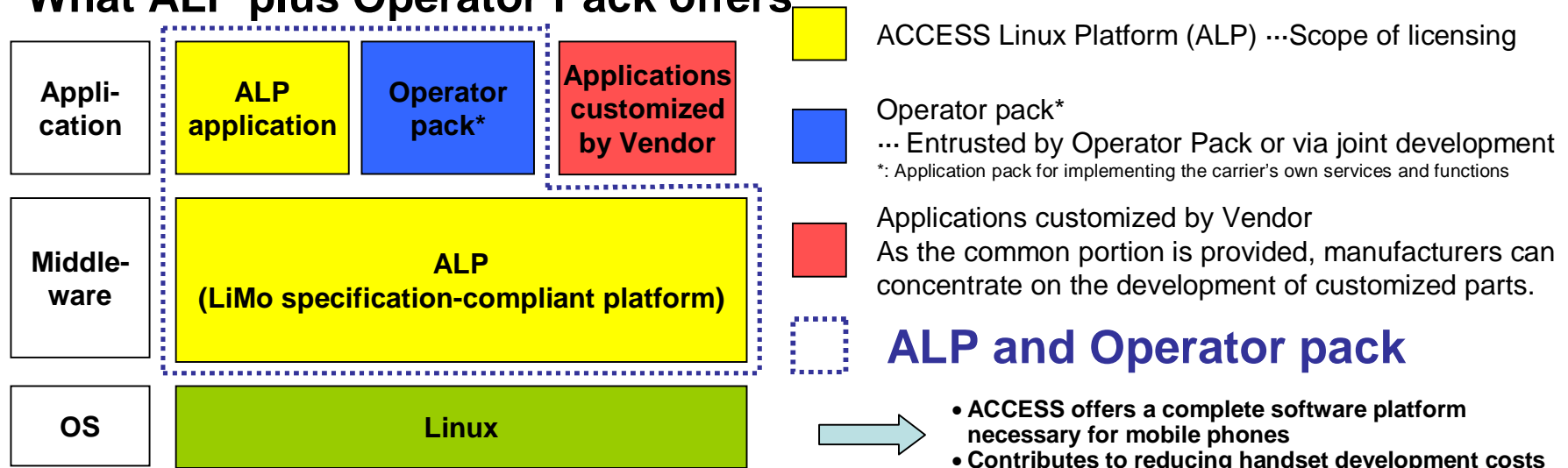
Lead the Market by Leveraging LiMo Foundation



○ LiMo Foundation (LiMo)

- Non-profit organization established in January 2007
- Developed a globally competitive Linux[®]-based software platform for mobile phones
- ACCESS provided ALP-based LiMo Reference Platform (February 2009)
- **KDDI joined LiMo (August 2009)**

○ What ALP plus Operator Pack offers



Benefits for carriers

- Reduced handset procurement costs
- Latest functions available on many handsets in the same selling season (wider lineup of handsets)

Benefits for handset manufacturers

- Need for the development of functions included in operator packs eliminated, reducing handset development costs
- Well-focused development of applications for what makes handsets different and appealing
- Easier development of overseas handset models by switching to operator packs for overseas markets

Main Products and Projects

II. IP Infusion Product Development

Market Trends: Communications Device Market Size Forecast

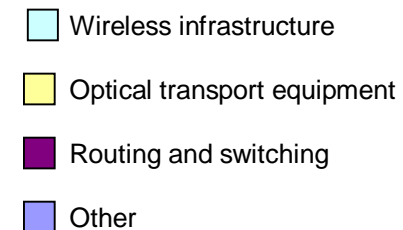
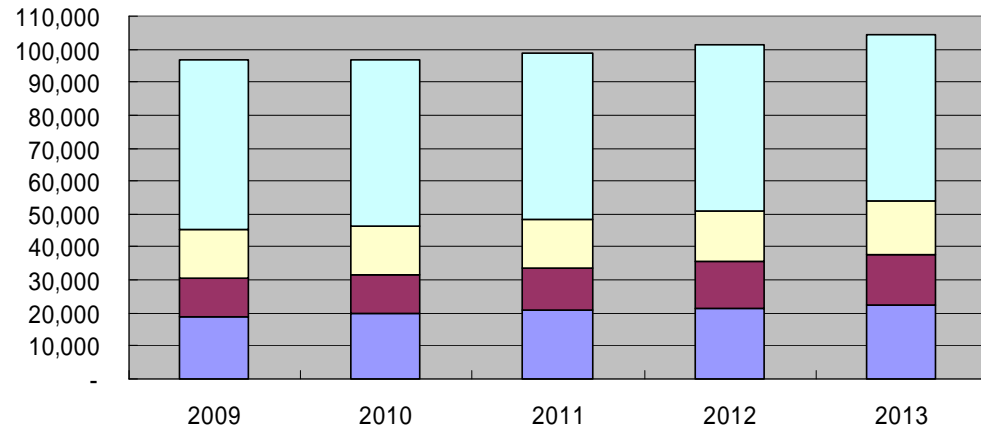


○ Size of target market is increasing

- The communications device market is estimated to slump between 2009 and 2010 but the outlook for 2011 to 2013 shows a slight increase.
- Routing and switching represents one of the most markedly growing device categories. Compound annual growth rate (CAGR): 7.3%
- ZebOS® is scheduled for aggressive expansion to categories such as wireless infrastructure and optical transport as well.
- ACCESS' target: 78.6% of the entire market

Global communications device market sales forecast

Unit: million dollars



(Source: IDC, 2009)

Unit: million dollars

	2009	2010	2011	2012	2013	Percentage
Routing and switching	11,637	11,995	12,706	13,859	15,437	14.8%
Optical transport equipment	14,529	14,602	14,894	15,415	16,109	15.4%
Wireless infrastructure	51,372	50,433	50,179	50,192	50,463	48.4%
Other	19,049	19,746	20,834	21,625	22,357	21.4%
Communications device market total	96,586	96,775	98,613	101,091	104,365	100%
ACCESS' target market	77,538	77,029	77,779	79,465	82,009	78.6%

IP Infusion Products in Global Use



○ Major customers

● North America

- Extreme Networks, Verizon, f5, CITRIX, Nevis and others

● EMEA (Europe, Middle East and Africa)

- Ericsson, Siemens, Alcatel-Lucent, Nokia Siemens Networks, Tellabs and others

● Asia

- KDDI, SoftBank, Hitachi, NEC, Fujitsu, Furukawa LG, Samsung, UTStarcom, Huawei Technologies, ZTE, ETRI and others

ZebOS® Infrastructure Software for Network Devices

Customer Case Study



Customer name: NEC Corporation

- **Device with the software employed**
 - **CX2600**
(Switch for carriers)
- **Application**
 - **For overseas mobile backhaul (mobile phone backbone network) market**
- **Achievement**
 - Multi-protocol label switching function added to CX2600
 - Sale started mainly for the overseas mobile backhaul (mobile phone backbone network) market
- **Future operations**
 - Continued cooperation with ACCESS for the development of new products to assist domestic and overseas carriers with building stable network infrastructures

Main Products and Projects

III. Evolution of NetFront™ Browser

NetFront™ Series Widespread



- **NetFront Series more widely used**
 - **NetFront Series gaining popularity in North America**
 - NetFront™ Browser provided for US carriers including Sprint and AT&T
 - **Opportunities expanding in China mobile market**
 - 3G services started, more products with browser mounted
 - **Widgets installed on more handset models**
 - A total of 27 Japan models with widgets as of September 10
 - More and more widgets handsets appearing in overseas markets
 - **Widgets Total Solution provided**
 - Widgets Total Solution provided for overseas markets
 - **NetFront Series gaining popularity among consumer electronics as well**
 - A total of 110 million consumer electronics devices now use NetFront Series technologies
 - NetFront on Fuji Film digital cameras

NetFront™ Series Gaining Popularity in North America



○ NetFront™ Browser installed on more and more models in North America

● For Sprint

- Samsung: SPH-M550, SPH-M560
- Sanyo: SCP2500, SCP-3800, SCP6750
SCP-PRO200, SCP-PRO700

● For T-Mobile

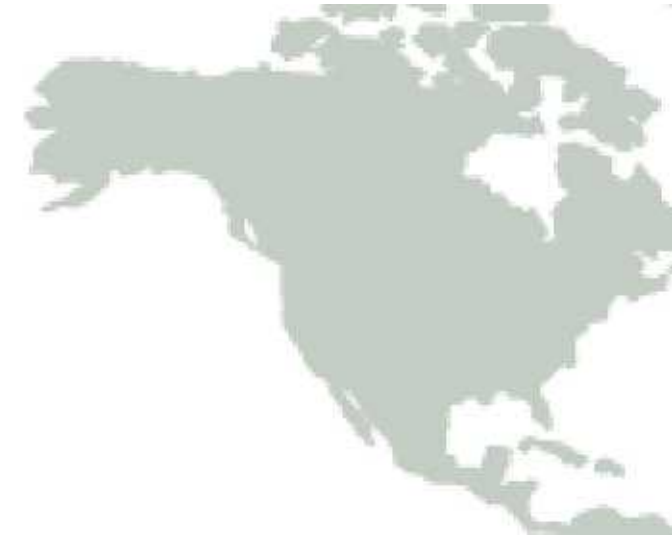
- Samsung: SGH-T349, SGH-T469, SGH-T559,
SGH-T659, SGH-T749, SGH-T929

● For AT&T

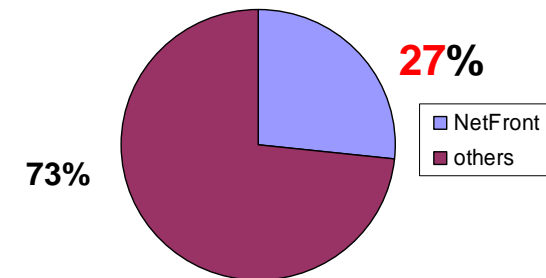
- Samsung: SGH-A657, SGH-A877, SGH-A887
- LG: LG Incite CT810

● Many other projects under way

● NetFront Browser is the most widely deployed mobile browser in the US



Browser market share by the number of models available with NetFront Browser installed in the US



Source: "Mobilens" mobile-related research by comScore, an American research company
www.comscore.com

ACCESS' Approach to the China Market



○ Focus on 3G handsets

● NetFront™ Browser v3.5 provided for Yulong's CoolPAD handset (starting in July 2009)

- CoolPAD accounts for about 18% of the Chinese 3G market, and is the leading domestic brand for 3G mobile handsets
- Installed on TD-SCDMA (China's home-grown 3G standard) handsets
 - Shipment started in July 2009 (CoolPAD F69)
- Installed on CDMA2000®-compliant handsets
 - To be released soon

● NetFront™ Browser provided for TD-SCDMA handsets of other manufacturers

- Offered on handsets from Datang, ZTE, Hisense, Philips and Longcheer

NetFront™ Widgets Installed on More Handset Models



- A total of 27 domestic models with NetFront™ Widgets as of September 10

Number of widget-compliant handsets exceeded 1 million units



Carrier	docomo	SoftBank	WILLCOM	EN MOBILE	Disney mobile
Service name	ACCESS Widget	Mobile Widget	WILLCOM Gadget	-	Mobile Widget
Number of compliant models	3 models	13 models	5 models	5 models	1 model

- More and more handsets with NetFront Widgets in overseas markets

- Provided for Samsung global handset models

- SGH-M8800, GT-S8300, GS-M7600, GT-M7603, SGH-A877 and SGH-T749 in stores
- Mainly for North America and Europe
- Usable in Asia (including Japan and South Korea), Europe, Oceania, Africa, the Middle East and the Americas)

- Provided for Toshiba handsets

- NTT DOCOMO's docomo PRO series T-01A in stores
- Promotion of TG01 for global markets (handsets with NetFront Widgets on sale in Spain)

NetFront™ Widgets Total Solution



- NetFront Widgets Total Solution provided for overseas markets
 - Service environment, client, development environment, etc. provided as a package

NetFront Widgets client

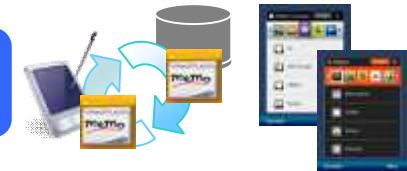


- NetFront Widgets Engine
- NetFront Widgets Player

Windows Mobile® S60 BREW Proprietary OS

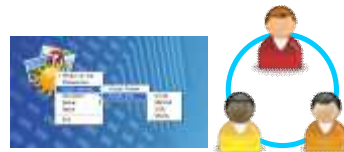
ALP Windows®

Widgets service environment



- Server-client coordination technology
 - Player/content update notification
 - Prevention of illegal Widget start
 - User Widget usage history send/analysis
- On-Device Widgets Catalog (portal)

NetFront Widgets Content integrated development environment



- Widget content development tool
- Documents (Design Guide, etc.)
- Developer community partnership

NetFront Widgets NetFront Widgets content



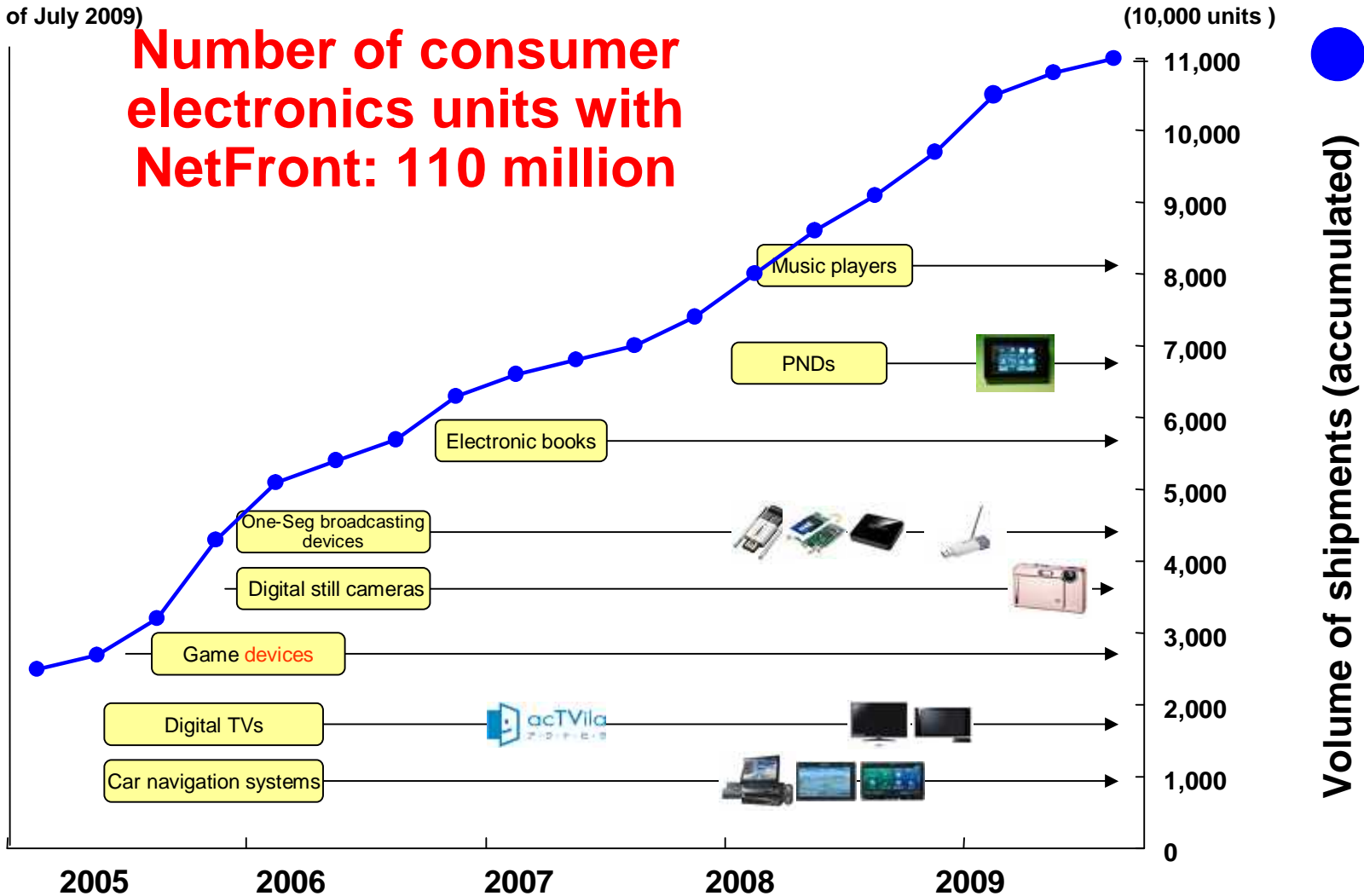
- Widget content customization
 - Content multilingualization support
 - UI customization
- Widget contents aggregation

NetFront™ Series Also Growing Popular in Consumer Electronics



○ More consumer electronics products with NetFront™

(As of end of July 2009)



○ NetFront Series installed on Fuji Film digital cameras

NetFront™ FlexUI

- NetFront™ FlexUI provided for FinePix Z300
 - UI Framework Solution covering the entire range from low to high end
 - Flash-compatible compact UI engine
 - Three to four times higher speed than equivalent engines from other companies
 - Higher development efficiency by providing the screen transition control tool (SURF)
 - Communication library module (SLIM), with NetFront™ Browser provided for simple building of network applications



FinePix Z300

Main Products and Projects

IV. Media Service Business

Booker's™ Mobile Bookstore Service Provided in Japan by Three Domestic Carriers



Booker's™ Mobile book store

- Operation of electronic bookstore mobile website in collaboration with the Tokyo Bookshop Commerce Association
- Service offered by three domestic carriers
- Provision of content development tools

Access from here



Common to three carriers

Service started	From October 2008	From June 2009	From July 2009
Service-providing carrier			
How to access	<ol style="list-style-type: none"> (1) From au one top page, (2) Find Category (Menu List). (3) From "Category," select "Books/Comics/Photo Collections." (4) Select "General" and, from the list, select "Booker's Mobile Bookstore." 	<ol style="list-style-type: none"> (1) From the "Yahoo! Keitai" top page, (2) go to "Menu List." (3) From the "Category," select "Books/Comics/Photo Collections." (4) From the "Category," select "e-books." (5) From the list of the electronic bookstore mobile sites, select "Booker's Mobile Bookstore" 	<ol style="list-style-type: none"> (1) From the "i-mode" top page, (2) go to "Menu List." (3) From the "Games/Comics/Fortune-telling" category, select "Comics/Novels/Photo Collections." (4) Select "Novels." (5) From the list of the electronic bookstore mobile sites, select "Booker's Mobile Bookstore."

Can download not only books but also comics

Number of titles offered on Booker's:

Books: over 15,000
Comics: over 4,400

Number of publishers: over 150



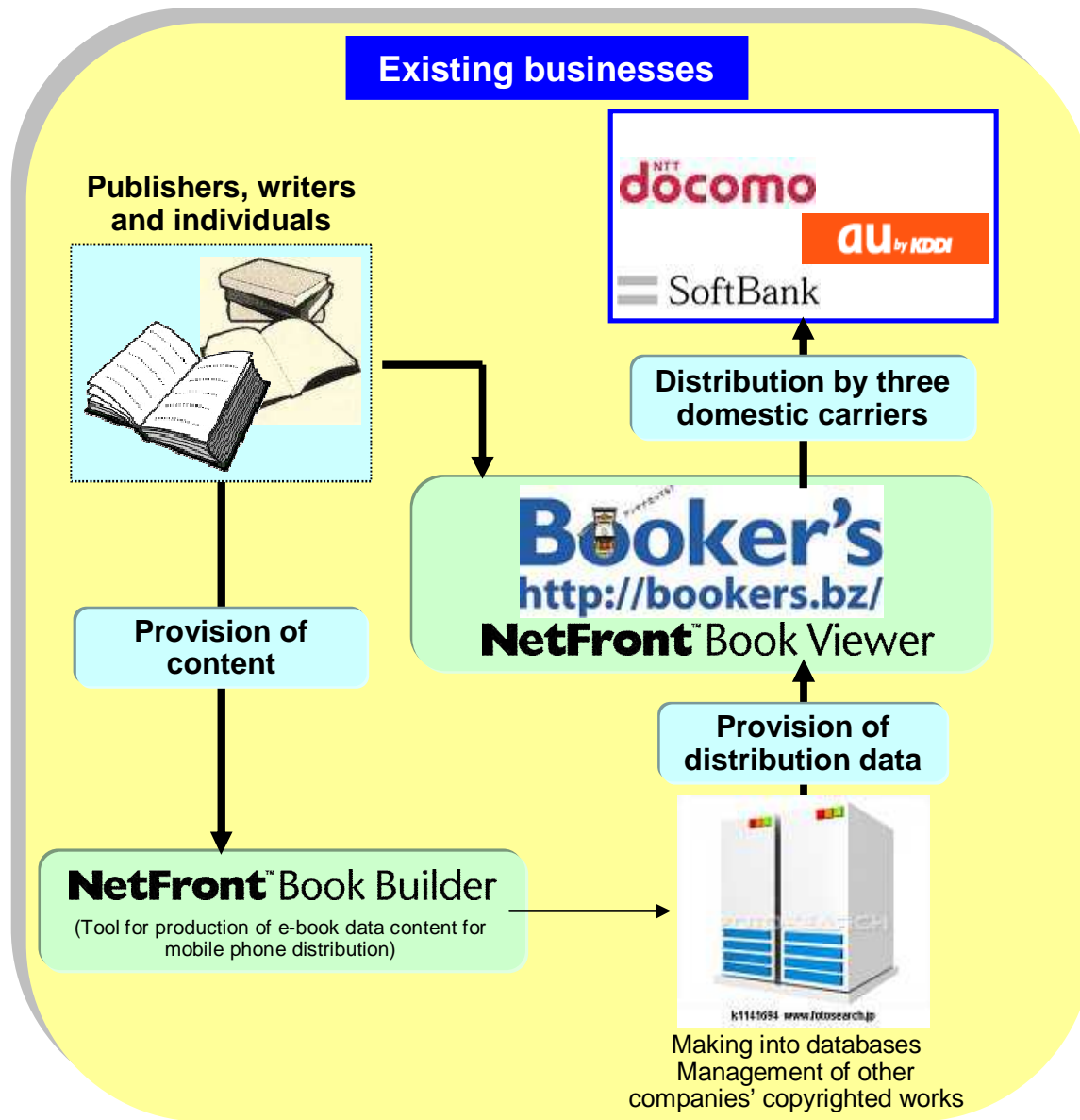
Kochikame Fair open

Tie-up project on "Kochira Katsushika-ku Kameari Koen Mae Hashutsujo" (Kochikame)

Site offerings

- About 60 episodes of choice from the original Kochikame manga offered for sale
- Free standby display images of popular characters as a member privilege
- Bookstore offerings-
- Fair held at 101 bookstores in Tokyo with volumes with appearances of major characters
- Free giveaway of original menko cards (not for sale) to purchasers of Kochikame comic books

Future Operations of Booker's™ Mobile Bookstore Service



Future business operations

Services with new devices
Provision of services for devices and platforms other than the three domestic carriers
enhancement of sales network

Distribution of original content
Start of distribution of works not available on other sites
establishment of originality

Publication of original content
Distribution and sale of works as described above
building of new publication models

Appendix: Achievements from Existing Businesses

Products from All Domestic Japanese Carriers - 2009 Summer Models



NTT
docomo

au by KDDI

SoftBank

docomo STYLE series



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©カッパ隆 ①金子潤
©日本プロダクション
©スタジオじゅびほ
©人形劇団カール子
Arranged by Pisan Works

docomo PRIME series



docomo SMART series



docomo PRO series



*1 Widget service compatible model

**Concept
model**



NetFront™ Technology Can Also Be Integrated into Home Audio and Visual Electronics



Digital TV “acTVila” compatible products are also increasing

Digital TVs



TOSHIBA REGZA
Z7000 series
ZH7000 series



HITACHI Wooo
UT 7700 series

TV Tuners (12seg for PC)



I-O DATA
GV-MVP/HX
GV-MVP/HS



I-O DATA
GV-MVPHZ



LDT-1S303U
Logitec



I-O DATA
GV-SC400

1seg USB TV Tuners

Multi-function printers



KYOCERA MITA
KM3060



KYOCERA MITA
KM5050

NetFront™ technology can be used in acTVila-compatible TVs as well as Sharp AQUOS X series

Digital Tuners



Pioneer
KRP-600A
KRP-500A



SKY PerfectTV!
SP-HR200H



BUFFALO
LT-H91DTV

MIDs



SONY
"mylo"
「COM-2」

Car Navigation

NetFront Browser powers advanced car navigation systems with Internet connection



Pioneer
Cyber Navi AVIC-VH9000



Pioneer Air Navi
AVIC-T10

Car navigation system that enables you to connect your mobile device and PC. The system can provide useful information and recommendations through websites even while you are driving.



Panasonic Strada F Class
CN-HX1000D CN-HW1000D



Car navigation system that offers various network services. For example, it enables you to connect to your home network AV products and appliances and control them through your mobile with Bluetooth® technology using the navigation system



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high quality communication
and entertainment for
connected users around
the world.*

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