



**FY2009 Results
and
FY2010 Business Plan**

**ACCESS CO., LTD.
President & CEO
Tomihisa Kamada
March 15, 2010**

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.**

FY2009 Overview

FY2009 Summary



- ACCESS Linux Platform™ (ALP) project for NTT DOCOMO completed
- New models with ALP are now available on the market
- ALP-generated royalty contributed to Net Sales
- Earnings expected to rise in FY2010

Goals for FY2009

Management Policy for FY2009

- **Medium/Long Term**
Shift from browser business into platform business
High-profit structure for the next growth stage
- **FY2009**
Completion of the ALP project
Leading ALP business into a growth phase
- **FY2009**

Profit increase: consolidated ordinary profit:	3 bil yen
consolidated net profit:	1.8 bil yen

Further improve the management structure and development efficiency (continued from FY2008)

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<Accomplishments>

1. ALP royalty contributed to Net Sales (P. 5)
2. Digital TV showed favorable growth
 - expanded number of models
 - increased shipment (P.5)



<Challenges>

1. Increased NRE costs pushed Gross Profit Ratio downwards, resulting in short to targeted operating profit and ordinary profit (pp. 6-9)
2. Did not achieve net profit target figure due to Extraordinary Losses. (p.10)

(Source: FY2008 investor presentation held on March 25, 2009)

FY2009 Consolidated Financial Results -vs. Budget



○ FY2009 Consolidated Financial Results Summary Unit: JPY in Mil, %

	(A) Plans	(B) Results	(B-A) Variance	Variance (%)	Planned figure reached?
Net Sales	30,473	32,400	1,927	6.3%	Yes
Operating Profit	3,256	2,602	(654)	(20.1%)	No
Ordinary Profit	3,000	2,865	(134)	(4.5%)	No
Net Income	1,889	493	(1,395)	(73.8%)	No

- **Net Sales**
 - Royalty resulted better than expected. Net Sales were JPY32,400 million, up 6.3% from plan.
- **Operating Profit**
 - Decreased Gross Profit Ratio and higher R&D costs led to Operating Profit of JPY2,602 million, 20.1% lower than plan.
- **Ordinary Profit**
 - Increase in Non-Operating Profit was insufficient to cover the decrease in Ordinary Profit, resulting in JPY2,865 million, 4.5% lower than plan.
- **Net Income**
 - With the Extraordinary Loss, Net Income for the current term was JPY493 million, 73.8% lower than plan.

Results for FY2009



○ Platform Business

Revenue Contributors: ALP

- ALP powered devices:
NEC's two models N-01B and N-02B,
from NTT DOCOMO's winter-spring models
- ALP royalty contributed to Net Sales
- More ALP powered devices are expected to be released for 2010 summer models

NTT
docomo



N-01B



N-02B

○ Application Business

Revenue Contributors: Digital TVs, eBook readers

- Digital TVs
 - FY2009 shipments increased by 75%(y-o-y).
 - With increased shipments in Japan, tried to expand overseas business as well.



TOSHIBA REGZA
Z9000
ZX8000/ZX9000



HITACHI Wooo
UT 770
UT800
03

FY2009 Consolidated NRE Costs, R&D Expenses



FY2009 Consolidated NRE Cost, Product Gross Margin Rate

	Plan - A	Result - B	B-A Variance	Variance in %	Unit: JPY in Mil, %
NRE Costs	10,876	13,575	2,699	24.8%	→ Over-exceeded
Gross Profit (Gross Profit Ratio)	6,198 36.3%	1,599 10.5%	(4,599)	(25.8%)	→ Significantly down from plan

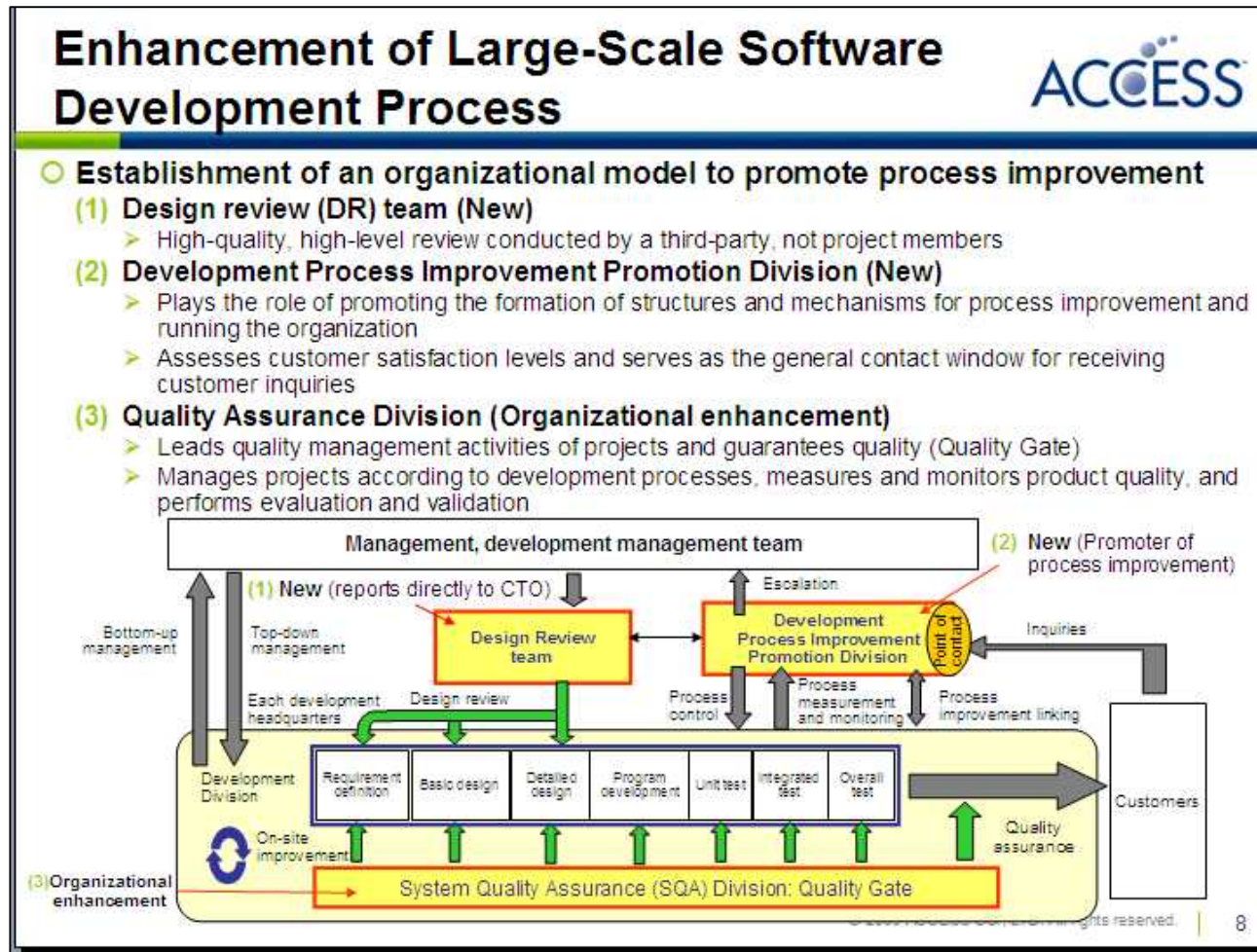
FY2009 Consolidated R&D Expenses

	Plan - A	Result - B	B-A Variance	Variance in %	Unit: JPY in Mil, %
R&D Expenses	5,866	6,593	726	12.4%	→ Behind plan

Large-Scale Software Development Process



- Announced new plans to enhance the process in FY2009



(Source: FY2009 1Q Presentation, June 11 2009)

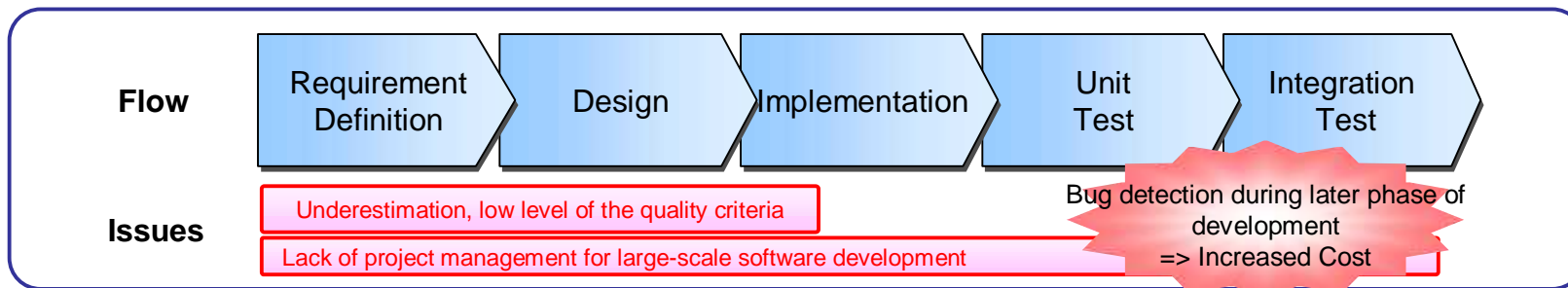
Challenge to Rebuild Project Management Process in Large-Scale Software Development

- **Early problems in the large-scale software development process over a multi-year project**

- Due to the lack of early step review for the implementation and specifications, the problem was more serious than it should have been. Although the project was completed, the development costs were increased because discrepancies were not corrected during the early development stage.

- **Lack of project management experience for large-scale software development**

- Smaller number of experienced managers in large-scale software development resulted in less accuracy of the resource allocation estimates, leading to increased costs in the later stage of development.
 - Inefficient estimates of the inspection in spec (specifications?) for the entire process resulted in underestimated man-hour planning.
 - Target for quality criteria was not appropriate



- **Countermeasures**

- Enhance and execute the process management plan introduced in FY2009
- Hire experienced resources for development manager, specialist for QA and product manager positions
- Divide the large scale project in manageable units/tasks

FY2010 New Organization Structure



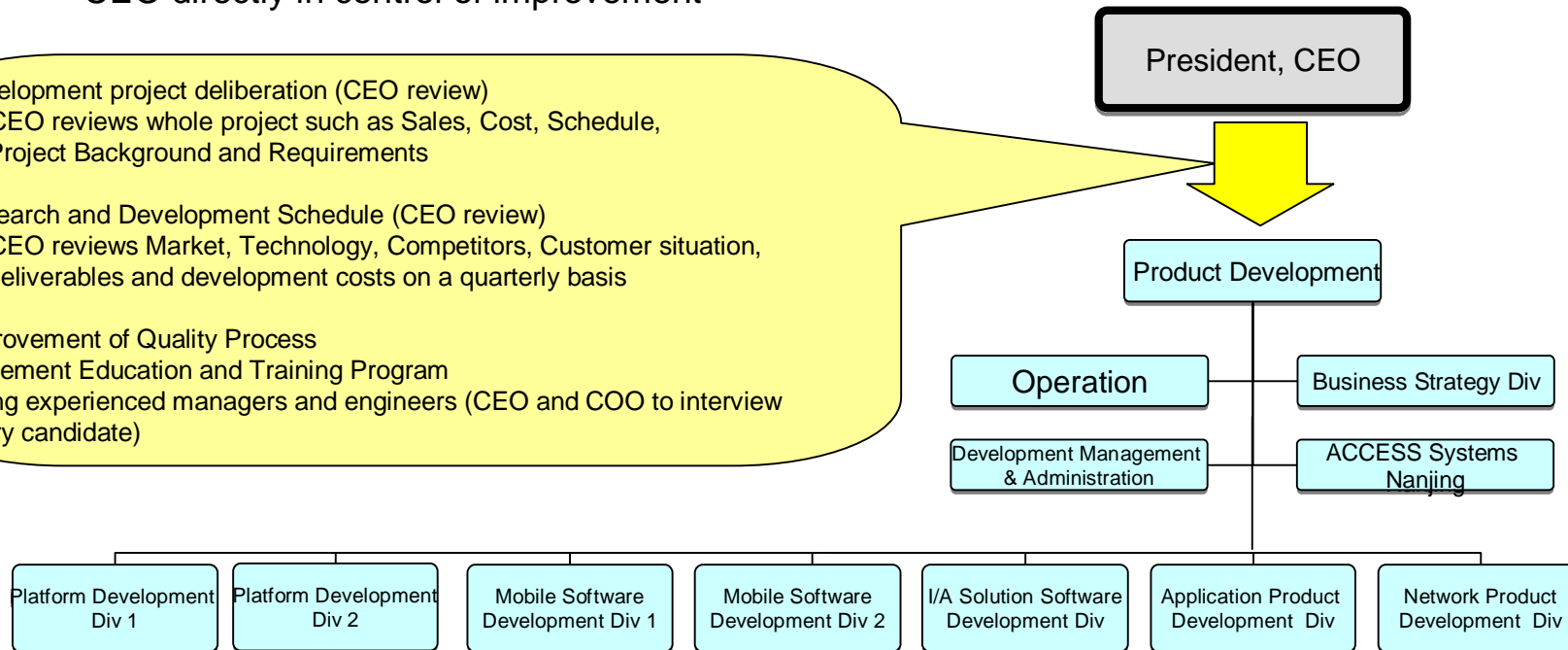
○ Development organization structure changed as of Feb 1

- Simplify the organization structure in order to permit quick decisions, efficient policy communication and rapid escalation
- Clarify roles and responsibilities of each division and members
 - Business Strategy Division to manage business plan to customers, e.g. defines product requirements with customers, plans the development schedule and estimates the cost
 - Each development division focuses on QCD (Quality, Cost, Delivery)
- CEO directly in control of improvement

Development project deliberation (CEO review)
=>CEO reviews whole project such as Sales, Cost, Schedule, Project Background and Requirements

Research and Development Schedule (CEO review)
=>CEO reviews Market, Technology, Competitors, Customer situation, deliverables and development costs on a quarterly basis

Improvement of Quality Process
Implement Education and Training Program
Hiring experienced managers and engineers (CEO and COO to interview every candidate)



Extraordinary Losses



○ Major item

- **Defective product expenditures on both consolidated and non-consolidated basis: JPY525 mil.**
- Defects in products sold to clients resulted in a credit of JPY525 mil recorded as accrued expenses.
- Problem has been solved, and will not occur in other products sold.

Management Acceptance of Responsibility for FY2009 results



○ Periodic deduction in directors' remuneration

- Management accepts responsibility for the downward revision of the full year fiscal plan, and has agreed to reduce board members' compensation for a three-month period (see below).

Job function	Deduction
President, Representative Director	50% of monthly compensation for 3 months
Executive Directors (except external directors)	30% of monthly compensation for 3 months

* Other managers are also included in the above program. Deduction rates are determined based on individual managerial responsibilities.

- Management further commits to enhance management efficiencies and improve business/financial position.

○ Announced dividend issue for the first time since IPO

- Fulfilling internal reserve has been a priority. Consequently, in order to maintain and strengthen our competitive edge for R&D, dividend payout to shareholders was suspended in the past.
- Understanding also that revenue share with our shareholders is an important management issue, management decided to issue shareholder dividends upon approval from shareholders at Annual General Meeting.
 - Recorded profit for two consecutive fiscal years
 - Shipped ALP powered mobile phones in FY2009
 - Our combined ALP Business and Applications Business will make our business base stronger.
- Management is committed to furthering sustainable business growth and profit sharing with our shareholders.
- Brief Information on dividend payment
 - Record date: January 31, 2010
 - Dividend per ordinary share: JPY500.00
 - Total dividend payout: JPY195,860,000.00

FY2010 Business Plan

FY2010 Budget



Consolidated

JPY in Mil

	1 st half	2 nd half	Full year	FY2009	Variance
Net Sales	10,599	20,243	30,843	32,400	-1,558
Operating Profit	-2,440	5,273	2,833	2,602	231
Ordinary Profit	-2,336	5,377	3,040	2,865	175
Net Income	-1,503	2,573	1,069	493	576

Non-Consolidated

	1 st half	2 nd half	Full year	FY2009	Variance
Net Sales	9,213	18,131	27,345	29,605	-2,260
Operating Profit	-2,112	5,844	3,731	3,052	679
Ordinary Profit	-2,131	5,826	3,694	3,272	422
Net Income	-1,294	3,032	1,738	-3,528	5,266

FY2010 Major Points



○ Net Sales

- ALP expected to increase royalty sales as % of breakdown
 - FY2009 53.2%
 - FY2010 (E) 60.1%

○ Operating Profit

- Reforming development structure and decreasing R&D expenses expected to result in higher Operating Profit Ratio
 - R&D Expenses
 - FY2009 JPY6,594mil
 - FY2010(E) JPY6,179mil (-JPY415mil, y-o-y)
 - Operating Profit Ratio
 - FY2009 8.0%
 - FY2010(E) 9.2%

Growth Strategy for Mobile Phones

Mobile Phone Market Global Shipments



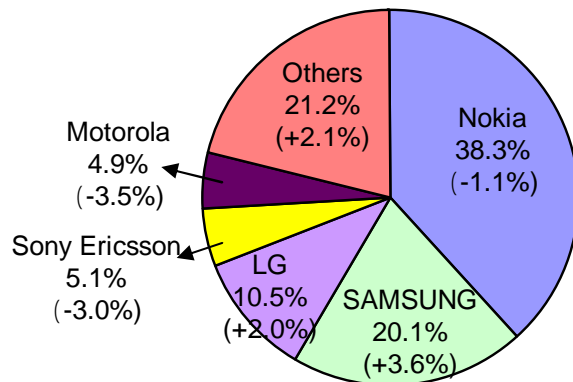
Global Handset Shipments

● For 2009: 1,127.8 mil units, -5.2% y-o-y

Source: IDC

	2008	2009	variance	trend	2008 Share	2009 Share	variance	trend
Nokia	468.4	431.8	- 7.8%	↘	39.4%	38.3%	-1.1%	↘
SAMSUNG	196.6	227.2	15.6%	↗	16.5%	20.1%	3.6%	↗
LG	100.8	117.9	17.0%	↗	8.5%	10.5%	2.0%	↗
Sony Ericsson	96.6	57.1	- 40.9%	↘	8.1%	5.1%	-3.0%	↘
Motorola	100.1	55.2	- 44.9%	↘	8.4%	4.9%	-3.5%	↘
Others	227.6	238.6	4.8%	↗	19.1%	21.2%	2.1%	↗
Total	1,190.1	1,127.8	- 5.2%	↘	100.0%	100.0%		

2009 Market Share (y-o-y)



· Global shipments for 2009: 1,127.8 mil units, down by 5.2% y-o-y

· Strong shipment trends in both number of units shipped and market shares for SAMSUNG and LG

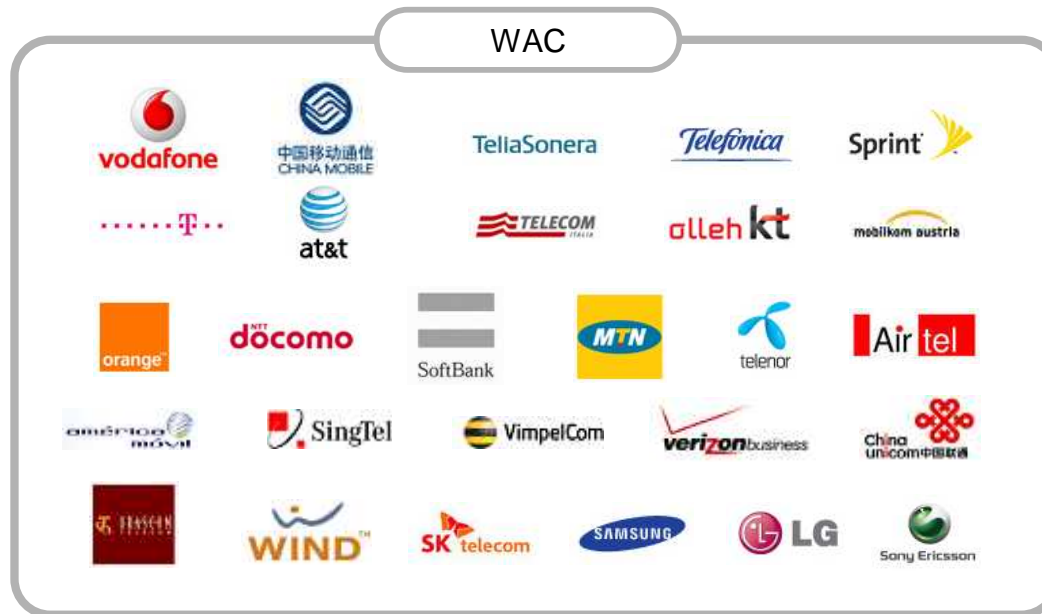


ACCESS sales to SAMSUNG and LG grew

Market Trend: WAC (Wholesale Applications Community)



- At Mobile World Congress 2010, 24 major operators announced they would cooperate to build a global “applications store.”



App Store

(Apple)

(shipments: 25 million/ 09)

Google Store

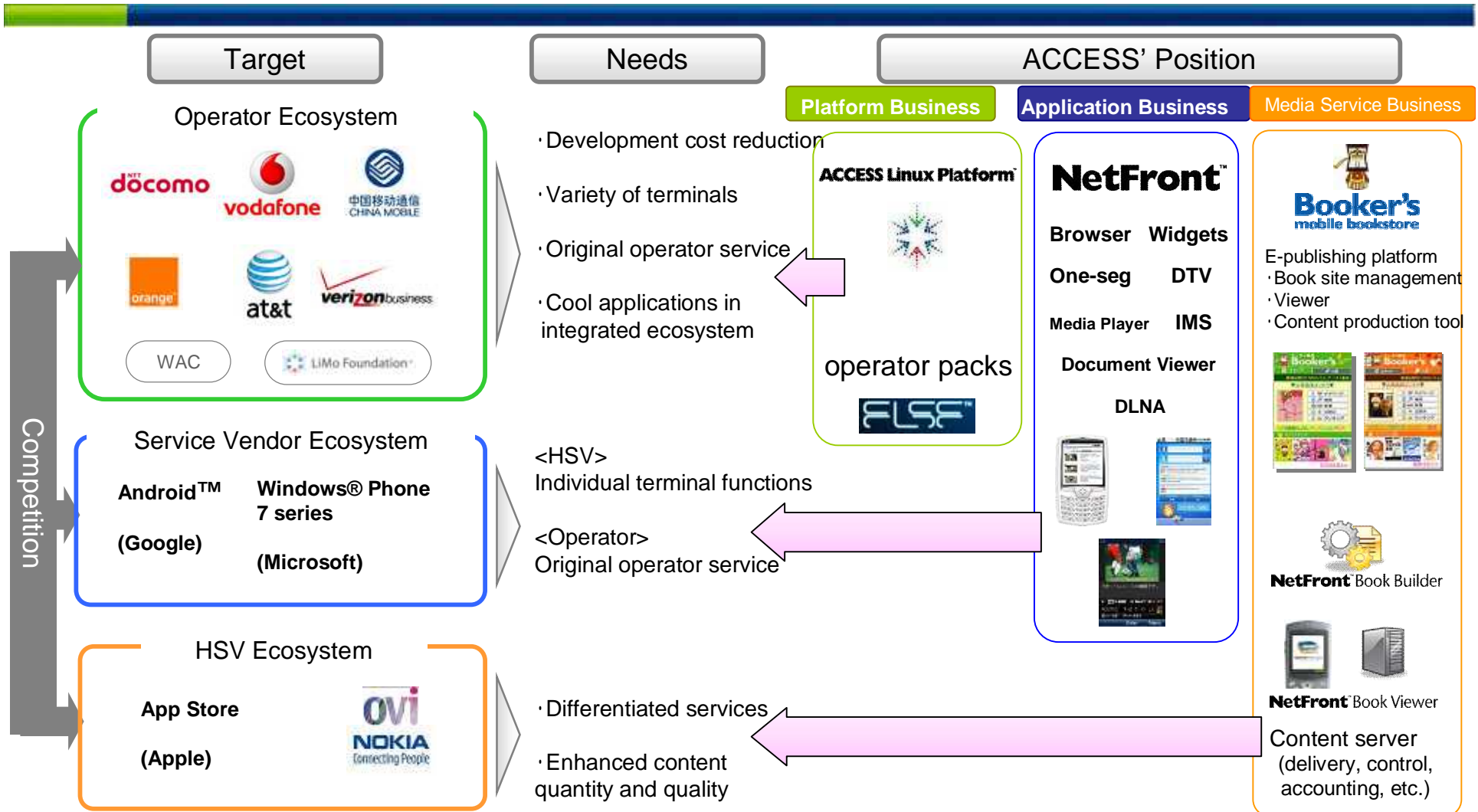
(Google)



(shipments: 6.2 million/ 09)

- Target market is three billion subscribers.
- Expected to be the largest mobile application market
- Compete with Apple 「App Store」, Google 「Android™ Market」.
- ACCESS already has the Widget engine, server and tools to comprise a complete solution.

ACCESS' Position and Business Opportunities (mobile market)



In addition to contributing to the operator ecosystem, all target markets are supported.

Expansion of ALP Business



- ALP: from development phase to revenue generation.
 - Increased royalty sales expected with expanded line-up for NTT DOCOMO
 - Deployment to other Japanese carriers , and revenue from ELSE
 - Ecosystem of operator application markets supported

- ELSE Ltd joins LiMo Foundation.
 - LiMo compliant “ELSE” device
 - Highly advanced smartphone features



- Exhibited ELSE at Mobile World Congress (MWC2010).
 - Attracted many media interviews and visitors
 - Ongoing business talks with multiple operators.

MWC2010 exhibition

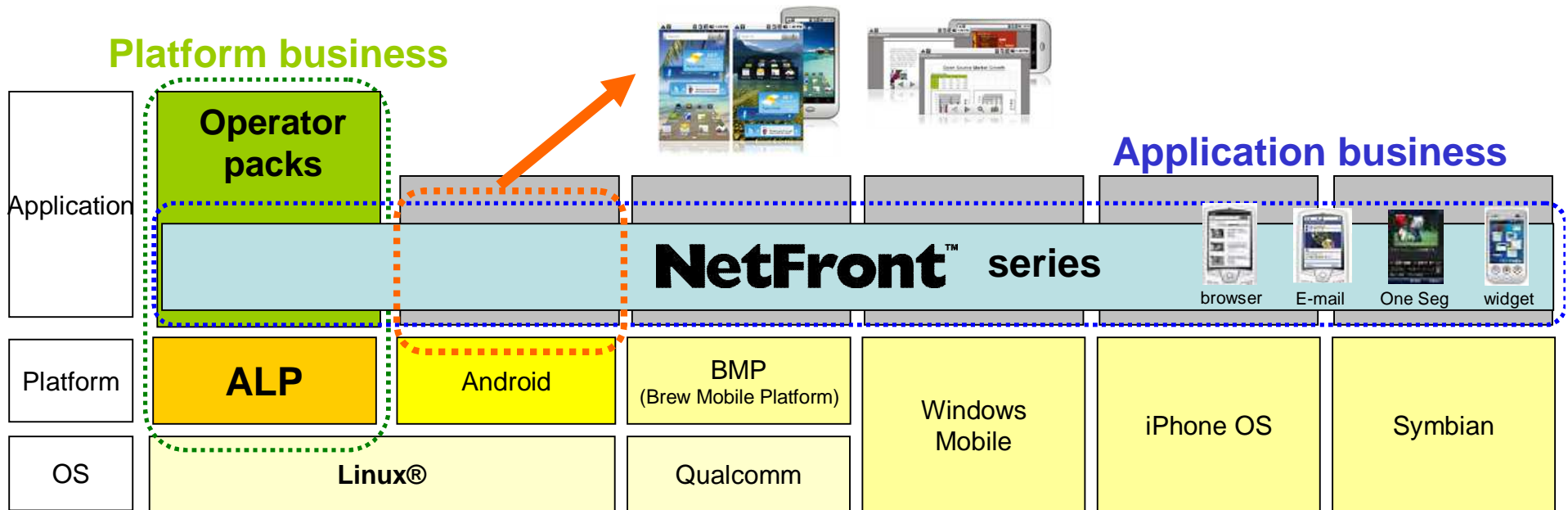


Multi OS Support by Application Business



- NetFront™ application series for Android.
 - Good solutions for original operator services on Android.
 - Handset vendors can develop attractive applications easily.
 - NetFront™ Browser, NetFront™ FlexUI, NetFront™ Living Connect (DLNA) etc...

NetFront™ Series for Android™



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



Booker's™ Mobile Bookstore



Access from here



Common to three carriers

- 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

Service started

October 2008

June 2009

July 2009

Service-providing carrier



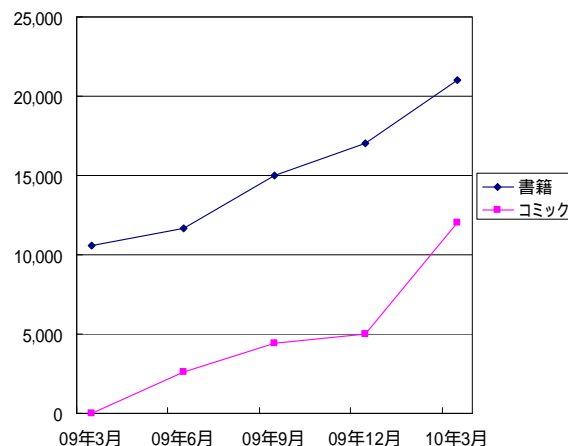
Download and browse comics as well as books

Number of titles offered on Booker's:

Over 21,000 books

Over 12,000 comics

Number of publishers: over 230



“Manga” Comics



Novels



Publicity program run for metro-area commuting system until the end of March 2010

Media: Train ad, Station ad, Vehicle ad



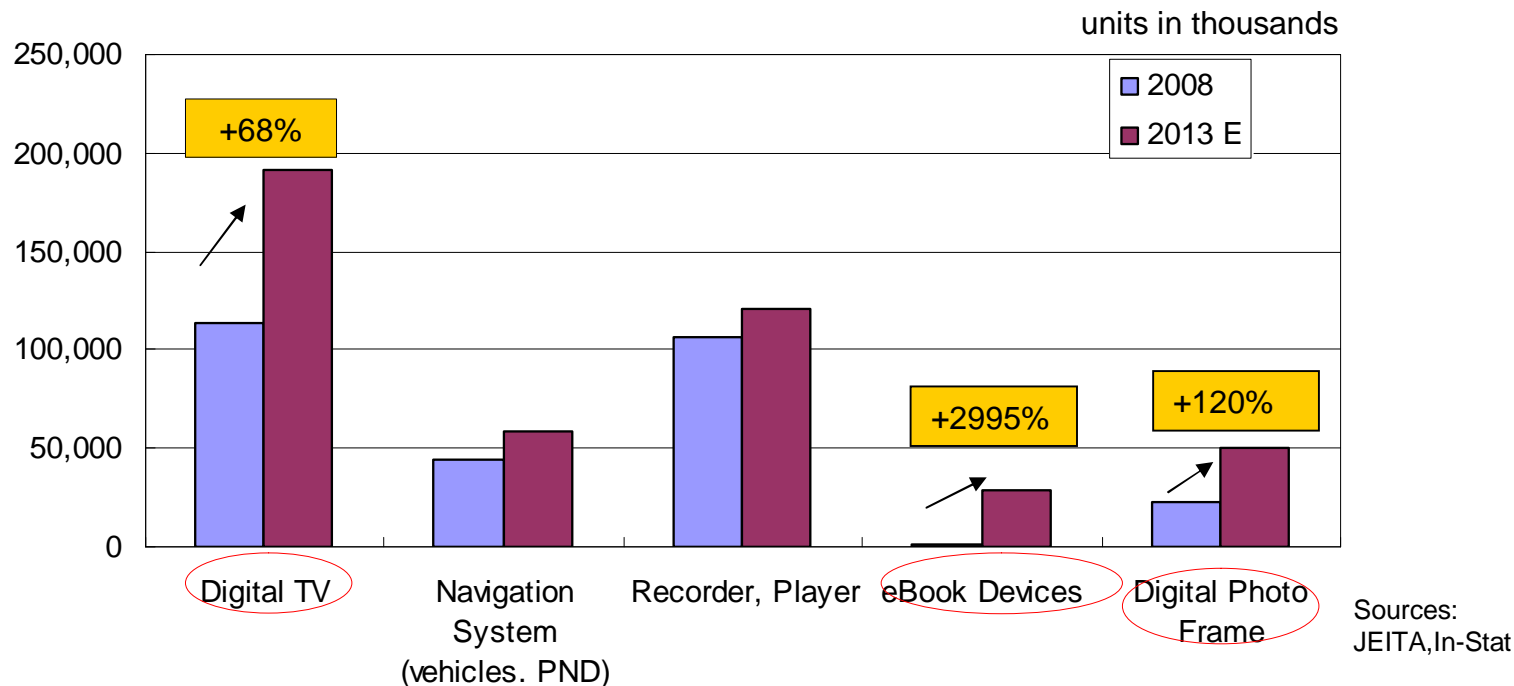
Digital Home Electronics

Worldwide Demand for Digital Home Electronics



○ Digital home electronics market trend

Global market growth, 2008 (historical) and 2013 (forecast)



● Digital home electronics show tremendous growth potential

- Digital TVs
- eBooks
- Digital photo frames

} Major business area to focus on

Digital TV Market Potential: ACCESS' position



○ Digital TV Market

- Huge market with over 1,000 million units shipped annually.
 - 1,900 million shipments projected in 2013.

- Digital and IP-connected televisions will spread around the world.
 - Various services for PCs are now being made available for Digital TVs.

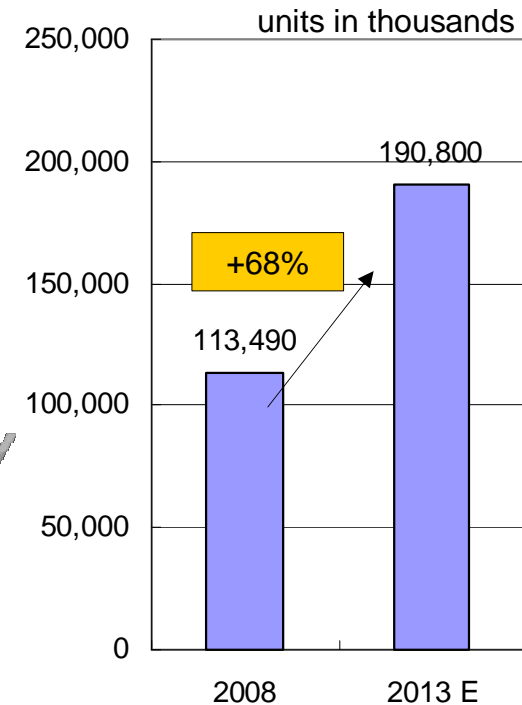
- Worldwide Market
 - Japanese manufacturers are trying to accelerate business overseas.
 - Promising opportunities for Digital TV and One Seg in the South American Market where the ISDB-T system has been introduced.
 - Popularization of HbbTV() is expanding in EU market.
 - ACCESS became a member of the HbbTV initiative and is accelerating development as a driving force.

- Japanese Market
 - acTVila TVs are no longer for high-end segment and spread to middle range of the TV market.
 - Increased market volume of IPTV/ Net TV(e.g. acTVila)
 - Broadcasting services for mobile TV will be available in post-analogue TV services

- ACCESS' Strengths
 - Capable of leading discussions with major service providers about specifications for direct implementation.
 - With a proven track record with Japanese and Asian manufacturers, we intend to drive worldwide development with local manufacturers in each market.



Digital TVs Estimated Global Market Growth



Sources: JEITA

HbbTV (Hybrid Broadcast Broadband TV)
Linkage service of IPTV and broadcasting

Business Opportunity for Internet-accessible Appliances



○ Internet-accessible appliance market

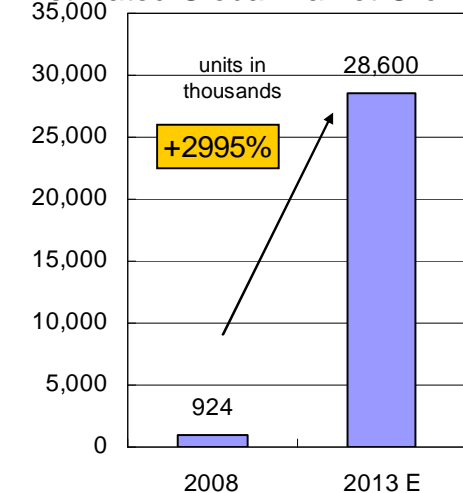
● eBook readers

- Market for eBook readers is expected to grow to 28 million units by 2013.
- ACCESS to provide eBook viewers
 - Develop EPUB*-compliant NetFront™ Book Viewer EPUB Edition v1.0
(*EPUB = international standard for eBook file format)
 - Displays both vertical text for character-based Asian languages, and traditional horizontal text.
 - Provide viewers to international and domestic carriers, device manufacturers, content providers.

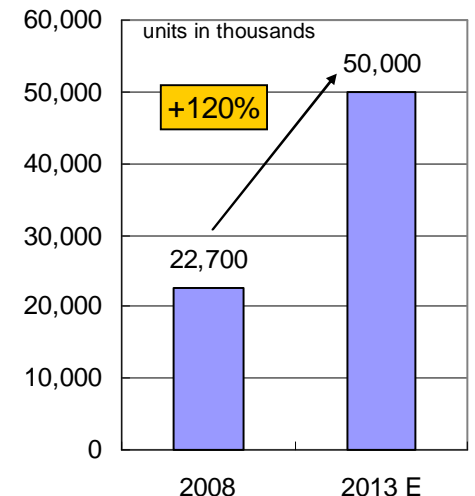
● Digital photo frames

- Market is growing
 - Up to 50 million units in 2013.
- NetFront™ series technologies for digital photo frames
 - NetFront™ Browser
 - NetFront™ Living Connect (DLNA)
 - NetFront™ Widgets
 - NetFront™ FlexUI (UI solution, etc.)
- NetFront series technologies can also be deployed on devices with smaller displays.

eBook Readers
Estimated Global Market Growth



Digital Photo Frames
Estimated Global Market Growth



Global Growth Strategy

Our Approach to Overseas Markets



North America



- **Provide NetFront™ Browser for eBook readers**
- **Proposed sale of DPFs (digital photo frames) to U.S. operators**
 - Recommending “Multifunctional DPF Service” to target operators
 - Adding various functions: photo sharing, Widgets (weather, stock market, traffic information), mail, etc.
 - Plan to provide NetFront™ Connected Experience (UI solutions, IMS, Browser, Widgets, DLNA, Media Player) to operators

Europe



Digital TV and home network markets expanding rapidly

- **Increasing sales of NetFront™ Living Connect (DLNA)**
 - Providing home gateway solutions to European operators
- **Providing DTV solutions to middleware vendors (ex. NDS)**
 - Thanks to comprehensive contracts with major middleware vendors (digital broadcasting, pay-TV, satellite broadcasting), shipments for DTV/ STV devices increasing in Europe
 - Strong competence in providing packaged solutions (expanded browsers [HbbTV] + DLNA + Widgets)
 - Recommending solutions to various DTV middleware vendors
- **Plan to provide DTV solutions to major ODM vendors**

Our Approach to Overseas Markets



Korea



Business with SAMSUNG and LG Electronics expanding rapidly

- **Providing comprehensive NetFront™ Browser solutions for mobile market**
 - Shipment of NetFront™ series technologies increasing
 - Migrating NetFront™ Browser to most updated version to enhance sales
- **Extending adoption of NetFront Browser for DTVs, shipped worldwide**
 - Worldwide DTV share in 2009: SAMSUNG 22%, LGE 13%
 - Developing BML-compliant DTV browser for Korean market
 - Focus on proposing DTV solutions (HbbTV, CE-HTML, etc.) to grow market share

China



- **NetFront Browser for TCL Communication (a major mobile handset vendor)**
 - Global W-CDMA market: mobile phones with “ALCATEL” brand
 - Local TD-SCDMA market: mobile phones with “TCL Communication” brand
- **NetFront Browser for Yulong’s “CoolPAD”**
 - “CoolPAD” is the top brand in the 3G market (18% market share)
 - TD-SCDMA-compliant mobile phones released
 - Plan to release CDMA2000® compliant mobile phones
- **NetFront Browser for other D-SCDMA mobile phones**
 - Datang ZTE, Hisense, Philips, Longcheer

Summary



- **FY2009 Results**
 - **Net Sales: Achieved target contributed by sales from Royalties**
 - **Net Income: Costly development process and Extra-Ordinary losses hit P&L, resulting in below plan**
- **FY2010 Plan**
 - **Net Sales growth expected to be almost at same level due to market conditions**
 - **Profitability expected to improve with planned structural changes in development**
- **Strategy for Mobile Phone Business**
 - **Platform Business: Expand ALP business**
 - **Application Business: Comply with multiple OSs, including solutions for Android™**
 - **Media Services Business: Booker's™ business on three major Japanese carriers, expanding more downloadable content**
- **Strategy for Digital Home Electronics**
 - **Expanding Digital TV market, expected business growth in overseas markets as well**
 - **Opportunities in eBook readers and Digital Photo Frame markets**
- **Strategy for Global Business Growth**
 - **US: eBook readers, Digital Photo Frames**
 - **European market: Digital TV, Home Networks**
 - **Korea: SAMSUNG, LG**
 - **China: 3G Mobile phone devices**

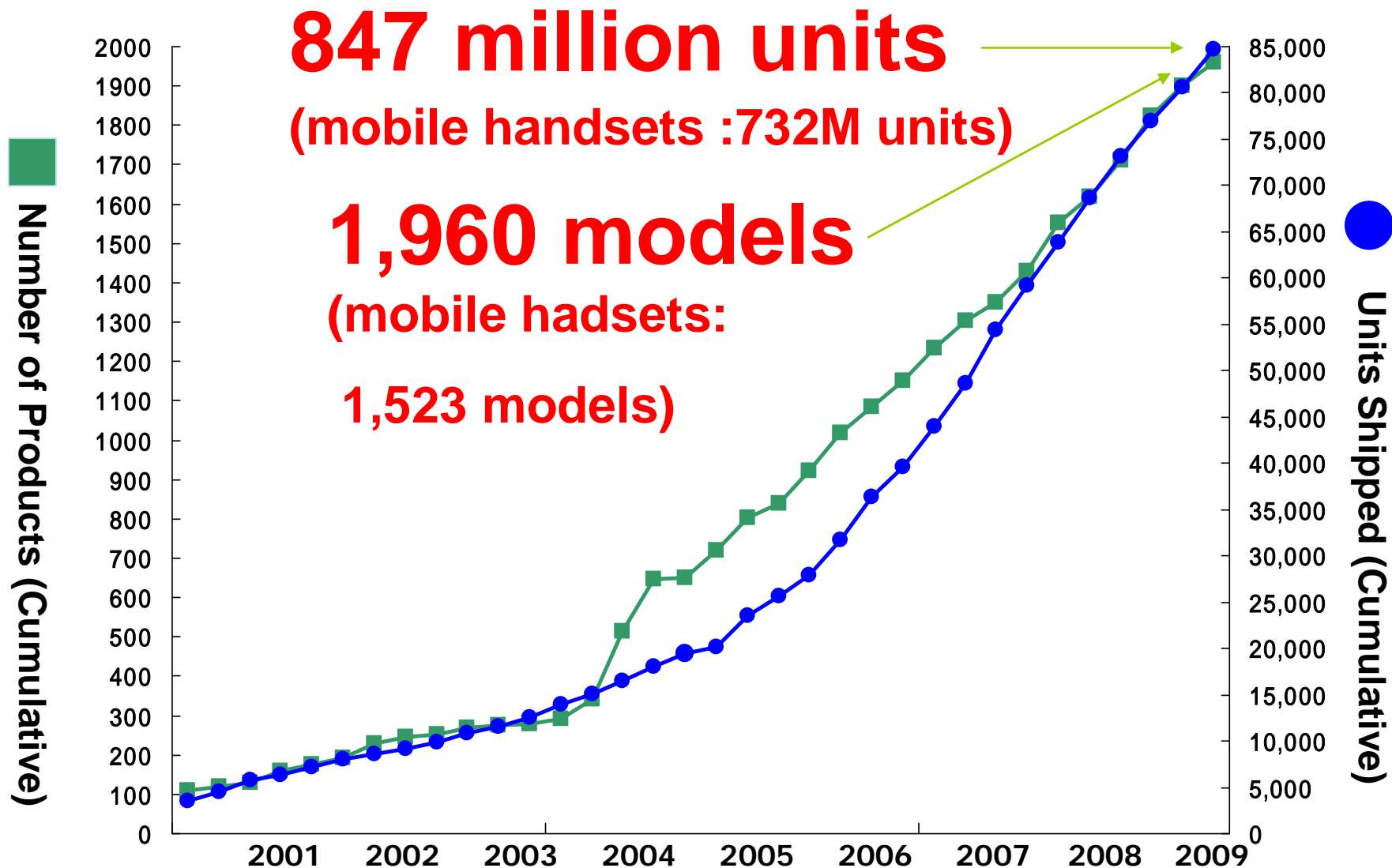
Appendix: Achievements in Existing Businesses

Over 800 million NetFront™ Series Units Shipped (Cumulative)



(As of October 31, 2009)

(10,000 units)



Products from All Domestic Japanese Carriers Latest Models with ACCESS Products Installed



NTT DOCOMO winter and spring 2009 models

docomo STYLE series



docomo SMART series



docomo PRO series



docomo PRIME series



KDDI autumn and winter 2009 models



SoftBank winter 2009 - spring 2010 models



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



Digital TV acTVila compatible products are also increasing in number

Digital TVs



TOSHIBA REGZA
Z9000 series
ZX8000/ZX9000 series



HITACHI Wooo
UT 770 series
UT800 series
03 series

Installed on SHARP
AQUOS series

XS1 series
RX5 series
GX5 series
DS6 series
DX2 series

Digital Tuners



SP-HR200H provided by
SKY PerfectTV!

USB-compatible One-seg TV Tuners



I-O DATA
GV-SC400

Digital Still Cameras



FinePix Z300

Car Navigation Systems



Strada
CN-HX900D



Strada
CN-HX3000D



Strada
CN-HW880D



Strada
CN-HW830D

NetFront™ Browser Installed
Latest Internet-enabled Navigation System

12-seg TV Tuners for PCs



I-O DATA
GV-MVP/HS3



I-O DATA
GV-MVP/HZ2W



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

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