



FY2007 1st Half Earnings Results Briefing

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- **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**

PART I

CURRENT STATUS IN REGARD TO THE REPOSE TO FY2007 CHALLENGES

FY2007 Most Important Issues



1. ASA (former PSI) Complete Integration

- Re-build the organization (~ April end)
- Reduction of 77 personnel from the current 237 (US)
- Into a R&D center...

**Establishment of an
Efficient R&D Organization
in Japan & US**

2. Engineering shift to China (Nanjing/Beijing)

- Transfer of R&D (X) projects (49% annually)
- Transfer of NRE (B/S) projects (50% annually)
- Achieve technical skill proficiency target levels
- Customer information management

**Improvement of
Engineering Efficiency
in Japan/US/China**

3. Sustenance and Improvement at HQ

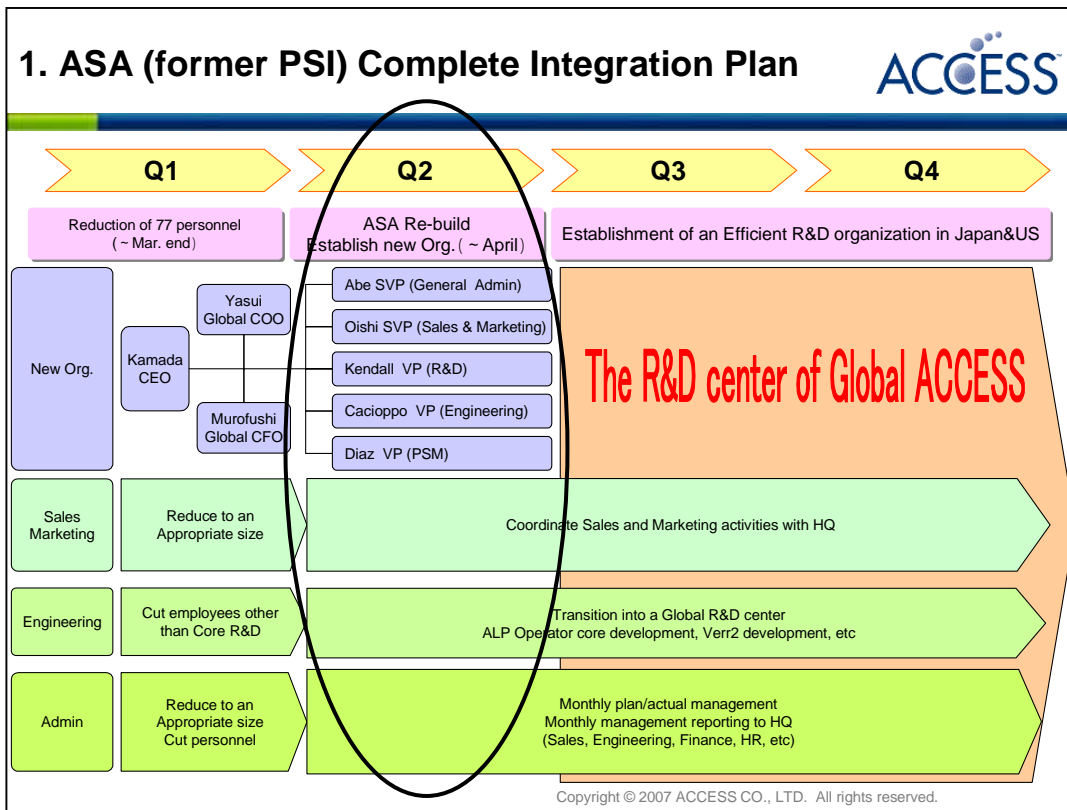
- Work on 3 fronts: Sales, Engineering and Admin

**Building a Global
Organization**

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1. Establishment of an efficient R&D organization

- Strengthen Global R&D organization after integration of ASA (former PalmSource) and making it as an R&D subsidiary in Q1



- Preparing ALP global organization (Japan, US, France, China)
- Unified management of R&D investment by way of transferring ALP Intellectual Property to HQ
- Establishing CTO Office



Efficient development of products and technology that make good business in future

2. Improvement of engineering efficiency

A) Leveraging engineering resource of ACCESS group

- China Shift
- Decrease dependency to outsourcers

B) Thorough Project Reviewing

- Check steps, process and P/L of each project

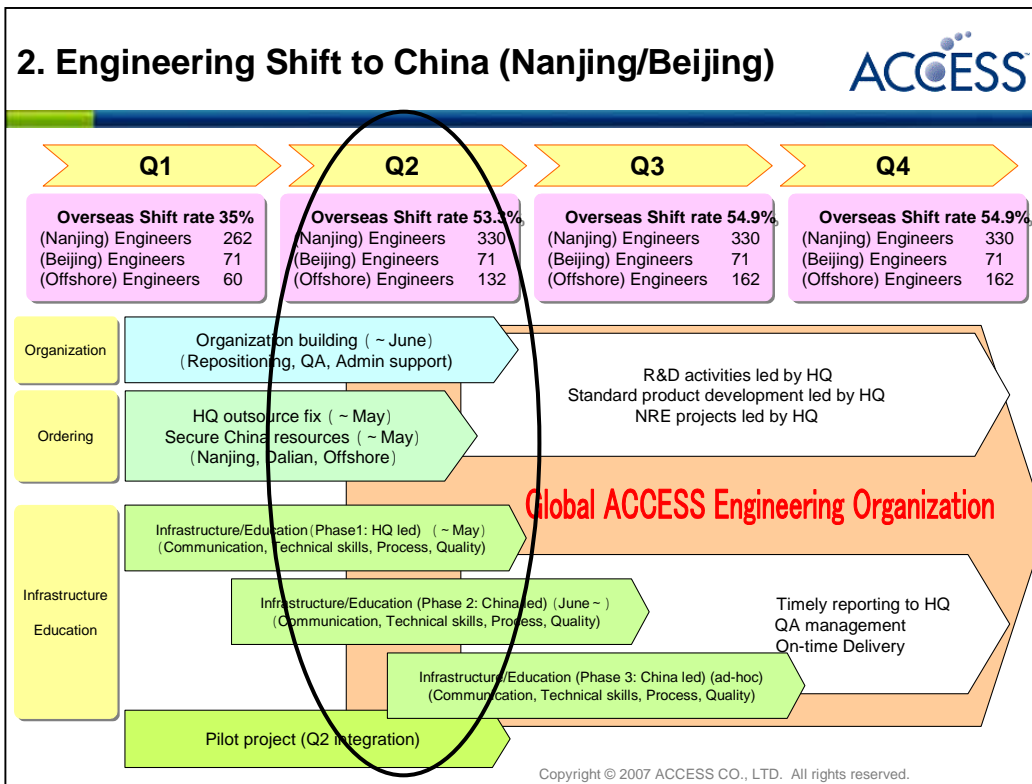


Improvement of engineering efficiency

- Decreasing total step of development
- Accumulating knowledge of development



Prepare strong development organization that can meet increasing sales both in number and quality, and also upcoming ALP



Leveraging Engineering Resource of ACCESS Group

○ China Shift

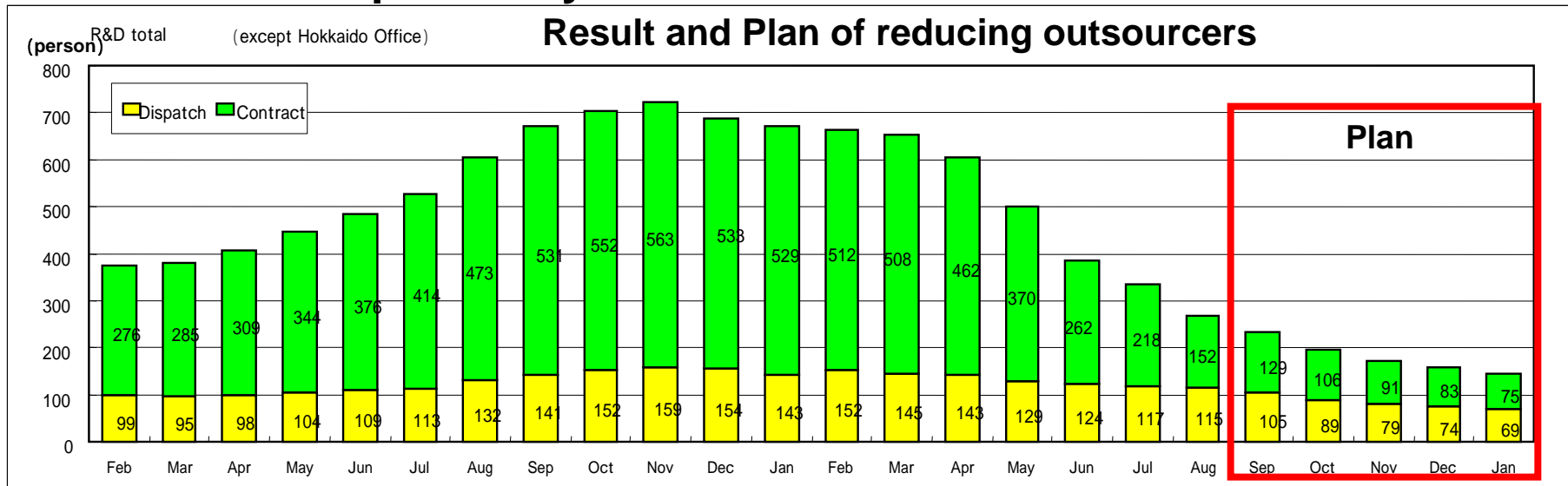
(person)

| 2007 | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Engineers in China | 75 | 79 | 88 | 93 | 100 | 107 | 114 | 121 |
| Engineers required in project | 52 | 64 | 82 | 93 | 93 | 116 | 106 | 103 |
| Excess personnel | 23 | 15 | 6 | 0 | 7 | -9 | 8 | 18 |

Continuous review of balance

○ Decrease dependency to outsourcers

Result and Plan of reducing outsourcers



- Reduce excess resource
- Accumulating knowledge of development



**Strengthen
Development Organization**

Accelerated Cost Depreciation of NRE

Accelerated cost depreciation of S project and non-profitable B (NRE) project in 1H by reclassify WIP cost to COGS.



**Eliminated cost in 1H,
Normalized in 2H**

Lowered NRE Gross Margin (1) - For New Functional Modules

1. 1seg / 3seg Related Projects

1ST HALF

Increase of orders for 1seg/3seg related projects → POSITIVE → Increase of Royalty
 → NEGATIVE → Decrease of NRE Gross Margin

Lowered Gross Margin due to the Conservative Accounting Process for "S Project (Advance Development of Standard Edition)"

FUTURE

Gross Margin in the 2nd Half will be recovered by the early cost transfer of "S Project"

1seg/3seg modules will be embedded on more than 20 summer models over three carriers

1seg/3seg module is almost dominated by ACCESS

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Lowered NRE Gross Margin (2) - For New Mobile Carriers

2. Softbank Mobile Projects

1ST HALF

Increase of Development Workload by offering Application Suite → POSITIVE → Increase of Royalty (Volume increase, Unit price increase)
 → NEGATIVE → Decrease of Cost of Sales due to the increase of development scale

It is getting harder to keep NRE capability for customized development work, due to the adoption of new technologies and the expansion of project scope/scale

FUTURE

Since our NRE operations will be transited to the steady state from newly ordered project, COS will be normalized from now on

Will bundle our software on twelve 2007 summer models

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Total amount of S project and non-profitable B project

Million JPY

| | Q1 | Q2 | 1H | Q3 | Q4 | 2H | Total |
|---------------------------|------------|------------|--------------|-----------|------------|------------|--------------|
| S Projects | 605 | 220 | 826 | 54 | 155 | 209 | 1,036 |
| Non-profitable B projects | 101 | 604 | 705 | 0 | 0 | 0 | 705 |
| Total | 707 | 825 | 1,532 | 54 | 155 | 209 | 1,742 |

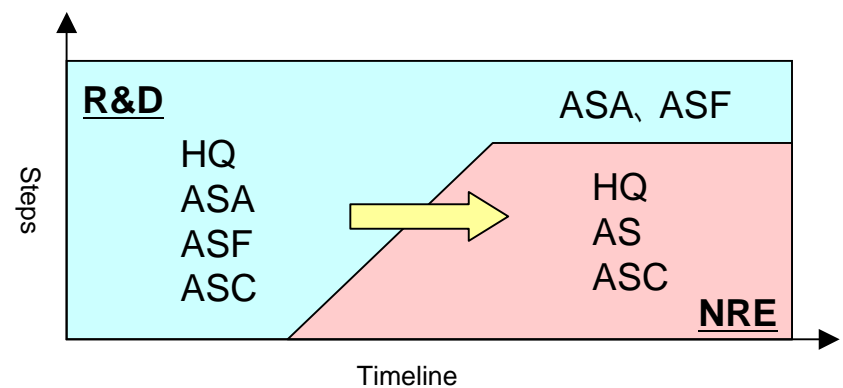
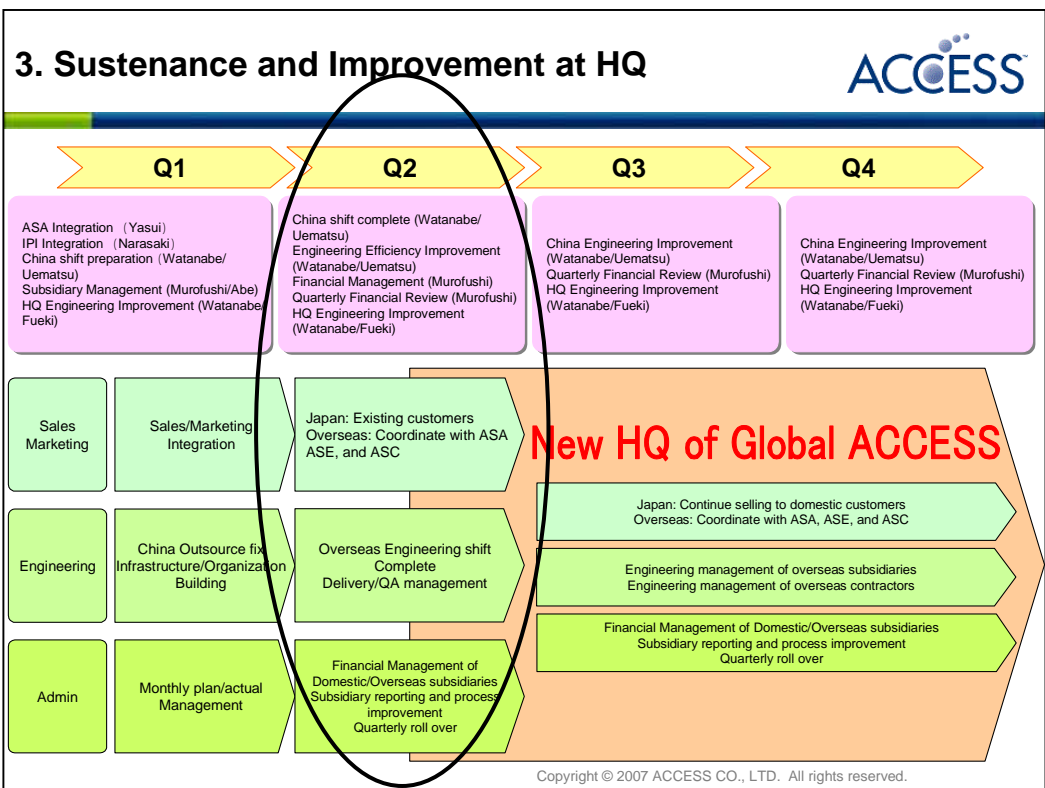
3. Building a Global Organization

- A) Thorough management of monthly consolidated budget and result
- B) Establish a global sales system (ACCESS – IPI sales alliance)

Our task is to optimize allocation of global engineering resource to expand business in good environment



Reallocation of engineering resource considering R&D situation of ALP

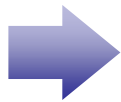


Start to consider global reorganization

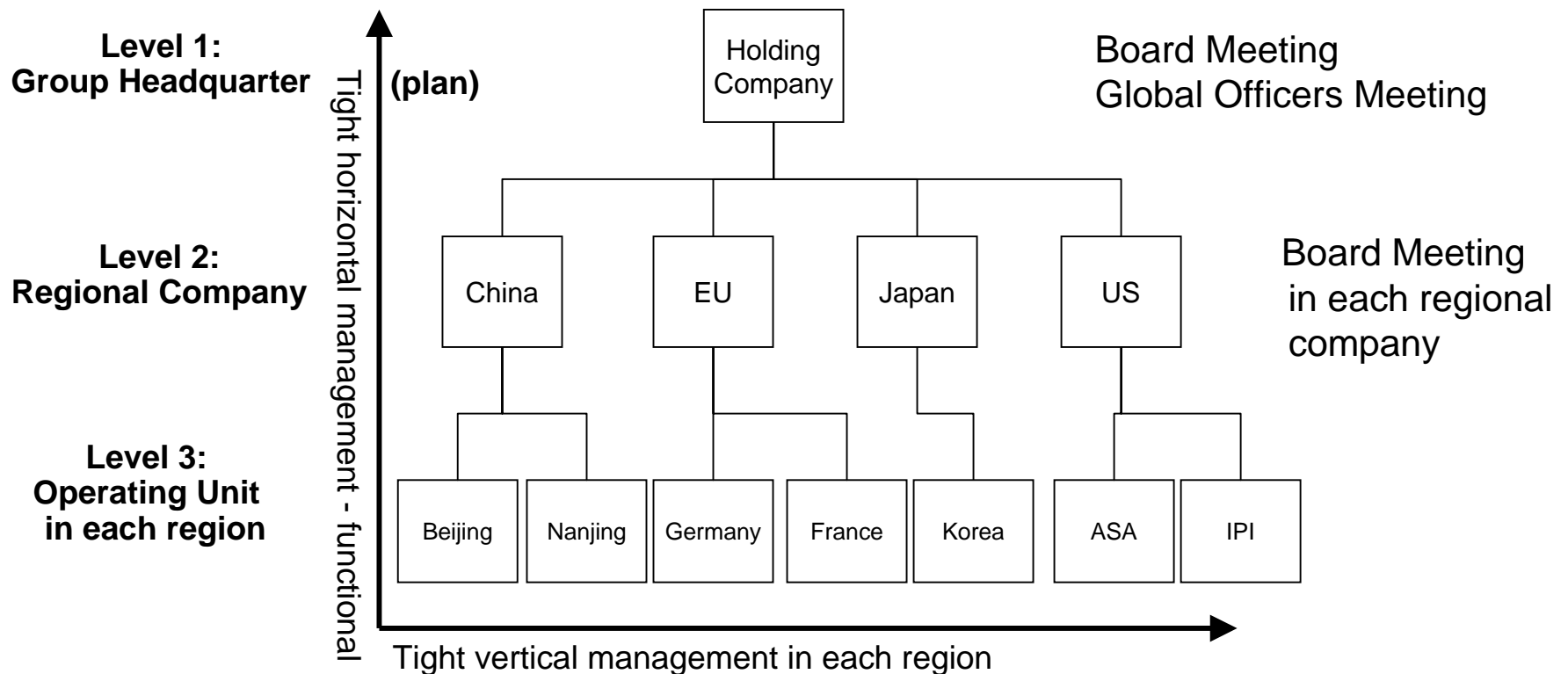
Preparing for Business Expansion

Toward the ideal organization at the new business stage

- (1) Quick decision making, execution and management of group strategy
- (2) Optimization of the cost of all ACCESS group – enhancing efficiency



- Enhance tight management by appointing new managers in regional companies toward reorganization of ACCESS group
- Redefine the role of each business unit (Sales, NRE, R&D etc.)



Sound Business Environment



NRE amount of HQ

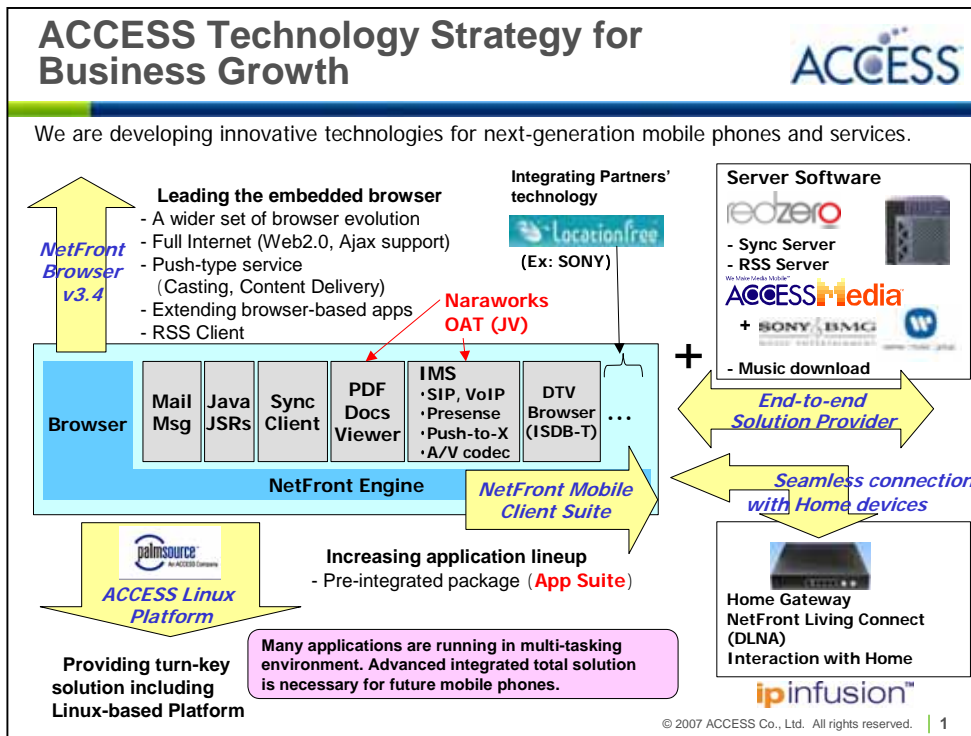
Unit 100 million JPY

| | FY2006 1H | FY2006 2H | FY2007 1H | FY2007 2H |
|------------|-----------|-----------|-----------|-------------|
| NRE amount | 37 | 55 | 33 | Forecast 75 |

FY2006 total 92



FY2007 total 108



ACCESS Technology Strategy can satisfy the market needs



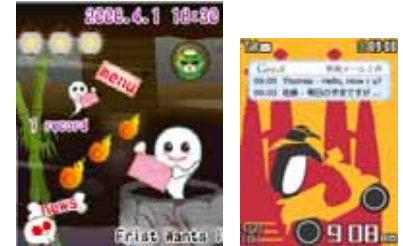
Recovering by solving 3 important issues as we committed

PART II

GROWTH DRIVERS

○ Browser

- Expanding business - Full Browser/1seg Browser
- New business - NetFront Browser Widgets



○ ALP (ACCESS Linux Platform)



- Customization work for French carrier Orange is going smoothly
- Sales Promotions in various Exhibitions

○ DLNA

- Providing NetFront Living Connect depending on DLNA Standard that realize smooth networking among appliances



○ NGN

- IP Infusion and Fujitsu Lab America provide レイヤー 2 integrated layer 2 solution



Developing ACCESS Linux Platform, authorized by Orange

Orange Signature strategy



Completion of application package which is optimized for ALP based handset where Orange can provide original services

Orange networks:

- Orange UK
- Orange Dominicana (Dominican Republic)
- Orange France
- Orange Netherlands
- Orange Spain
- Orange Israel
- Orange Poland
- Orange Romania
- Orange Slovakia
- Orange Switzerland
- Orange Botswana
- Orange Cameroon
- Orange Caribbean
- Orange Ivory Coast
- Orange Madagascar
- Orange Reunion

Orange-controlled or joint-controlled interests (non-Orange branded mobile operators)

- One (Austria)
- Mobistar-Orange Group (Belgium)
- Mobinil (Egypt)
- Optimus (Portugal)
- Voxtel (Moldova)

Number of Subscribers
92,600,000

December 2006

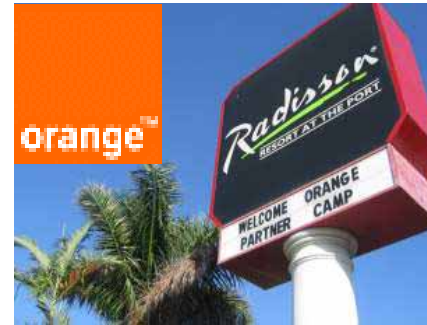


The world's 7th largest mobile network operator

- Preparing ALP based handset for Orange
- ACCESS and Orange cooperating for next generation mobile services
- ACCESS provides common software modules for Orange and even further, handset vendors can differentiate their products each other.

ALP - Toward the Shipment

- Completion of ALP v1,
- Developing next generation 'Finger Touch'
- Released PDK (Product Development Kit)
- SDK available for 3rd party application partners
- Preparing Applications for Orange
- Garnet VM (PalmOS emulator) for PalmOS applications, Leveraging 420,000 Palm Community
- Training and supporting developers
- Developers Forum for Orange application developers (Florida, Beijing)



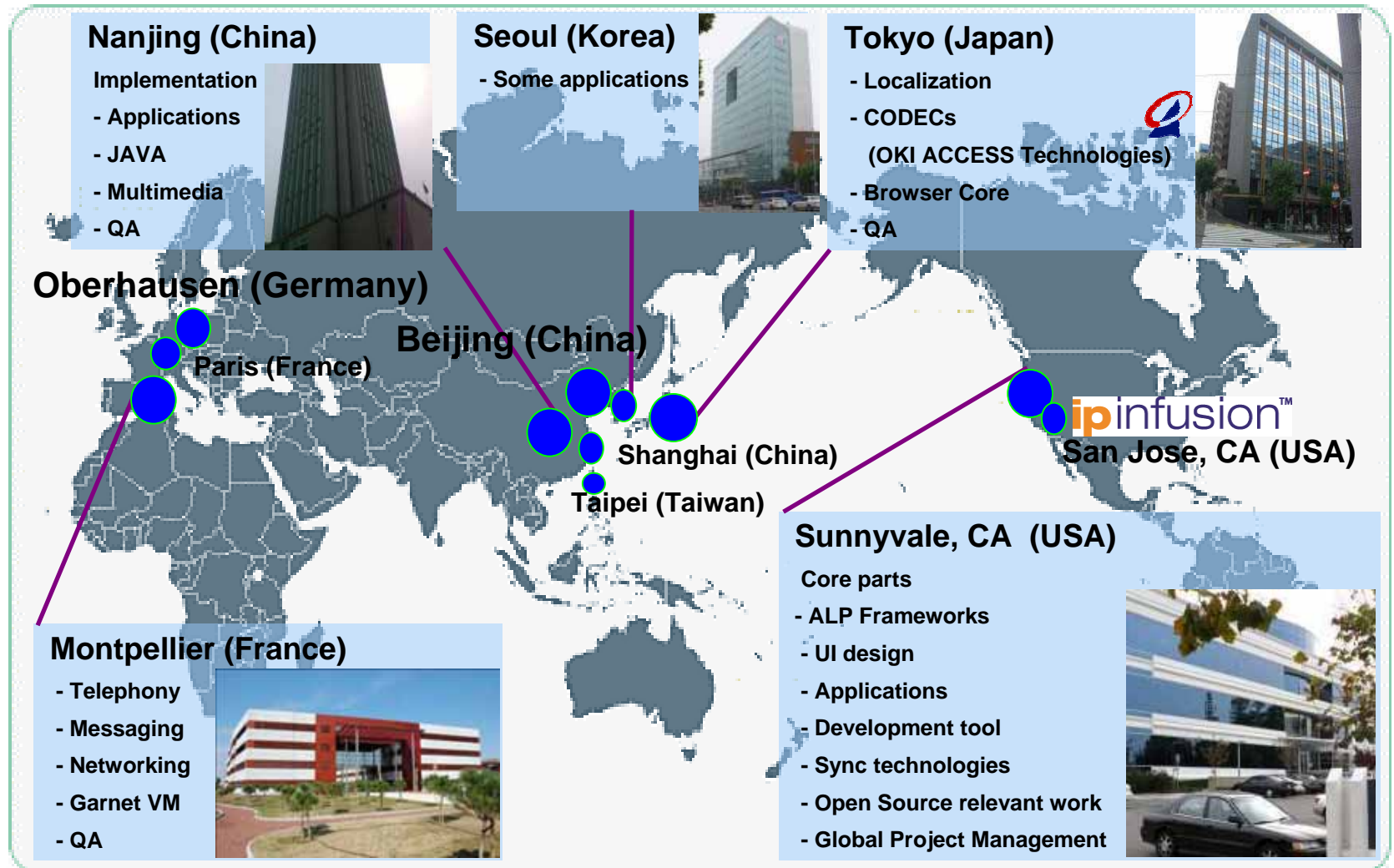
Glade3

eclipse



ALP Global Development Structure

Each office possesses high expertise and skill in specialized area

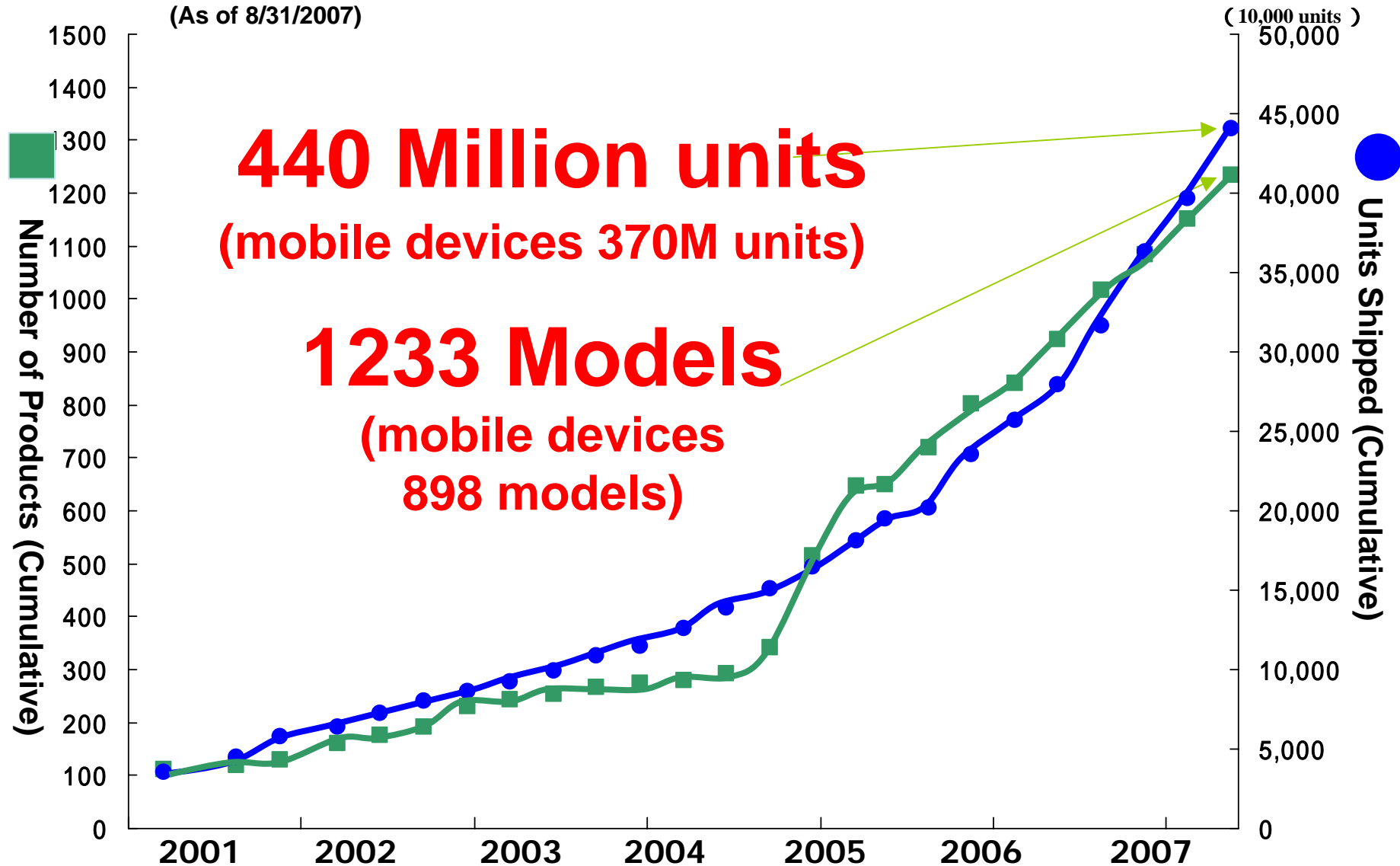


PART

APPENDIX

ACHIEVEMENTS FROM EXISTING BUSINESSES

Cumulative Units Shipped: Over 440 Million



High-end Products from All Domestic Carriers 2007 Summer Models



New products in the 2007 summer models

FOMA 704i Series
8 models (Jul 4th)



cumulative contracts
of au 1 seg model
over 5 million (Aug 16th)



cumulative subscribers
of Softbank 3G phone
over 10 million (Aug 13th)



Globally Expanding Business

Sony Ericsson with NetFront Browser Products



• Walkman™ music phones

(Walkman® player, Multimedia software, 2 MP camera)

- **W200i/c** Triband Q2/07
- **W300i/c** Triband Q2/06
- **W550i/c** Triband Q4/05
- **W580i/c** Quadband+Edge Q3/07
- **W600i/c** Quadband+Edge Q4/05
- **W610i/c** Triband+Edge Q2/07
- **W660i** Triband+UMTS Q2/07
- **W710i/c** Quadband+Edge Q3/06
- **W810i/c** Quadband+Edge Q1/06
- **W830i/c** Triband+UMTS Q3/06
- **W850i** Triband+UMTS Q3/06
- **W880i/W888c** Triband+UMTS Q1/07
- **W900i/c** Triband+UMTS Q4/05
- **W910i/W908c** Quadband+UMTS+Edge (announced)



• Cyber-Shot™ imaging phones

(3.2 MP camera, xenon flash, image stabilizer, QVGA screen)

- **K790a/i/c/K800i**
K790a, K790i, K790c: Triband+EDGE Q2/06
K800i: Triband+UMTS Q2/06



• Feature phones

- **K310i/a/c** Triband Q2/06
- **K320i** Triband Q4/06
- **K510i/a/c** Triband Q2/06
- **K530i** Triband+UMTS Q3/07
- **K550i/c** Quadband+EDGE Q1/07
- **K550im** Triband+EDGE i-mode™ Q1/07
- **K610i** Triband+UMTS Q2/06
- **K610im** Triband+UMTS i-mode™ Q3/06
- **K770i** Triband+UMTS (announced)
- **K618i** Triband+UMTS Q3/06
- **K810i/K818c** Triband+UMTS (Q1/07 / Q2/07)
- **K850i/K858c** Triband+EDGE (+UMTS) (announced)
- **V630i** Triband+UMTS Q2/06
- **S500i/c** Quadband+EDGE Q2/07
- **T650i/c** Triband+UMTS Q3/07
- **Z310i/a** Triband Q1/07
- **Z530i/c** Triband Q2/06
- **Z550i/a/c** Triband Q3/06
- **Z558i/c** Triband Q4/06
- **Z610i** Triband
- **Z710i/c** Quadband+Edge Q3/06
- **Z750i/a** Quadband+Edge+UMTS HSDPA (announced)



a = Americas, i = International, c = China
Source: SE website as of 2007-08-22

Challenging new areas toward the goal “NetFront on all devices”



Digital TV



LCD-H46MZ70
Mitsubishi



Wooo P50-XR01
Hitachi



Prius Note type K PN36K5U
Hitachi

PDP-6010HD, PDP-5010HD
PDP-508HX, PDP-428HX
Pioneer

USB type 1seg TV tuner



LDT-1S301U

Logitech



GV-SC200

I O Data

Digital Tuner for VHF/UHF



GEX-P09DTV

Pioneer

Car Navigation



Cyber Navi AVIC-VH099MDG

Pioneer