



**FY2006  
Financial Results**

**March 23, 2007**

**ACCESS Co., Ltd.**

- **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**

## FY2006 Results

- Consolidated Net Sales 26.1B yen, Ordinary Loss 15.2B yen
- HQ Net Sales 16.7B yen, Ordinary Income 2.4B yen

(JPY Million)

<b>FY06 Consolidated Results</b>	Actual	Plan (2006/4/20)	Variance	Revised Forecast (2006/12/15)	Variance
Net Sales	26,102	27,764	(1,662)	26,454	(352)
Gross Profit	17,024	-	-	17,925	(901)
SG&A Expense (Ordinary Expense – Non GAAP)	17,752	-	-	18,490	(738)
Operating Income (Before Exceptional Expenses)	(727)	-	-	(565)	(162)
SG&A Expense (Exceptional Expenses – GAAP)	15,139	12,304	2,835	15,167	(28)
Operating Income (After Exceptional Expenses)	(15,866)	-	-	(15,732)	(134)
Ordinary Income	(15,252)	(7,177)	(8,075)	(15,205)	(47)
Net Income	(16,032)	(9,648)	(6,384)	(16,318)	286

# Financial Results on track as compared to the Revised Forecast announced on Dec 15, 2006



## ■ Financial results will settle more or less as announced on December 15, 2006

### ○ Results of Net sales as planned

### ○ Engineering/Development proceeding as planned

Development of ACCESS Linux Platform Commercial Version released at the end of February. Strong requests from customers

### ○ PalmOS Garnet License Agreement with Palm Inc. (approx.¥5.1 Billion)

License fee has already been received by the end of January.

## ■ Ordinary Profit results in (8.07B) yen less than initially planned

### A) Consolidated - Additional Acquisition related costs ( already announced at Q2) **-¥2.83 billion**

- Amortization of Intangible Assets **-¥2.28 billion**
- Stock Option expenses **-¥1.06 billion**
- Changes in term of IPI Goodwill & Intangible Assets amortization +¥0.51 billion

### B) Consolidated - Results of major Subsidiaries **- ¥1.03 billion**

- ASE +¥50M, ASC -¥260M, IPI -¥420M, ASA -¥720M, other subsidiaries total +¥320M

### C) HQ - declining profit factors **- ¥4.17 billion**

- Increase in SG&A expense (excl. R&D expense) ¥170 million (result: 3.17 billion)
- Lower Gross Profit than planned Products ¥1.11 billion (Gross Margin ratio 43% 32%)  
Royalty ¥1.31 billion
- Increase in R&D expense ¥1.58 billion (result: ¥4.28 billion)

### D) Others **-¥40 million**

# Consolidated Financial Highlights (4<sup>th</sup> Quarter & FY06 Total)



Consolidated

Companies subject to consolidation:

27 consolidated subsidiaries and 2 consolidated companies by equity method

(JPY million)	FY06 Q4	FY05 Q4	YoY Change	FY06 Total	FY05 Total	% of FY05 Total
Net Sales	10,015	7,389	135.5%	26,102	17,269	151.1%
Gross Profit	6,434	4,869	132.1%	17,024	10,495	162.2%
SG&A Expense (Ordinary Expenses – Non GAAP)	5,251	1,649	318.4%	17,752	5,780	307.1%
Operating Income (Before Exceptional Expenses)	1,182	3,219	36.7%	727	4,714	-
SG&A Expense (Exceptional Expenses – GAAP)	3,663	-	-	15,139	-	-
Operating Income (After Exceptional Expense)	2,480	3,219	-	15,866	4,714	-
Ordinary Income	2,239	3,145	-	15,252	4,604	-
Net Income	3,202	1,879	-	16,032	2,784	-

# Results of Major Subsidiaries (FY06)



Consolidated

- ASA: ACCESS Systems Americas, Inc. (former PalmSource, Inc.)
- IPI: IP Infusion, Inc.

(JPY Million)	ACCESS	ASA	IPI	Other Subs	Journal Entry Adjust	Goodwill / Intangible Assets Amortization	Consolidated Total
Net Sales	16,787	5,979	854	4,990	2,509	-	26,102
Gross Profit	9,677	5,192	591	2,073	509	-	17,024
SG&A Expense (Ordinary Expense – Non GAAP)	7,466	7,702	1,013	1,924	353	-	17,752
Operating Income (Before Exceptional Expense)	2,210	2,509	422	149	156	-	727
SG&A Expense (Exceptional Expense – GAAP)	-	3,326	855	-	-	10,956	15,139
Operating Income (After Exceptional Expense)	2,210	5,836	1,277	149	11,112	-	15,866
Ordinary Income	2,435	5,367	1,282	177	11,216	-	15,252
Net Income	1,275	4,937	1,410	255	11,215	-	16,032

# Results of Major Subsidiaries (4<sup>th</sup> Quarter: Nov – Jan)



Consolidated

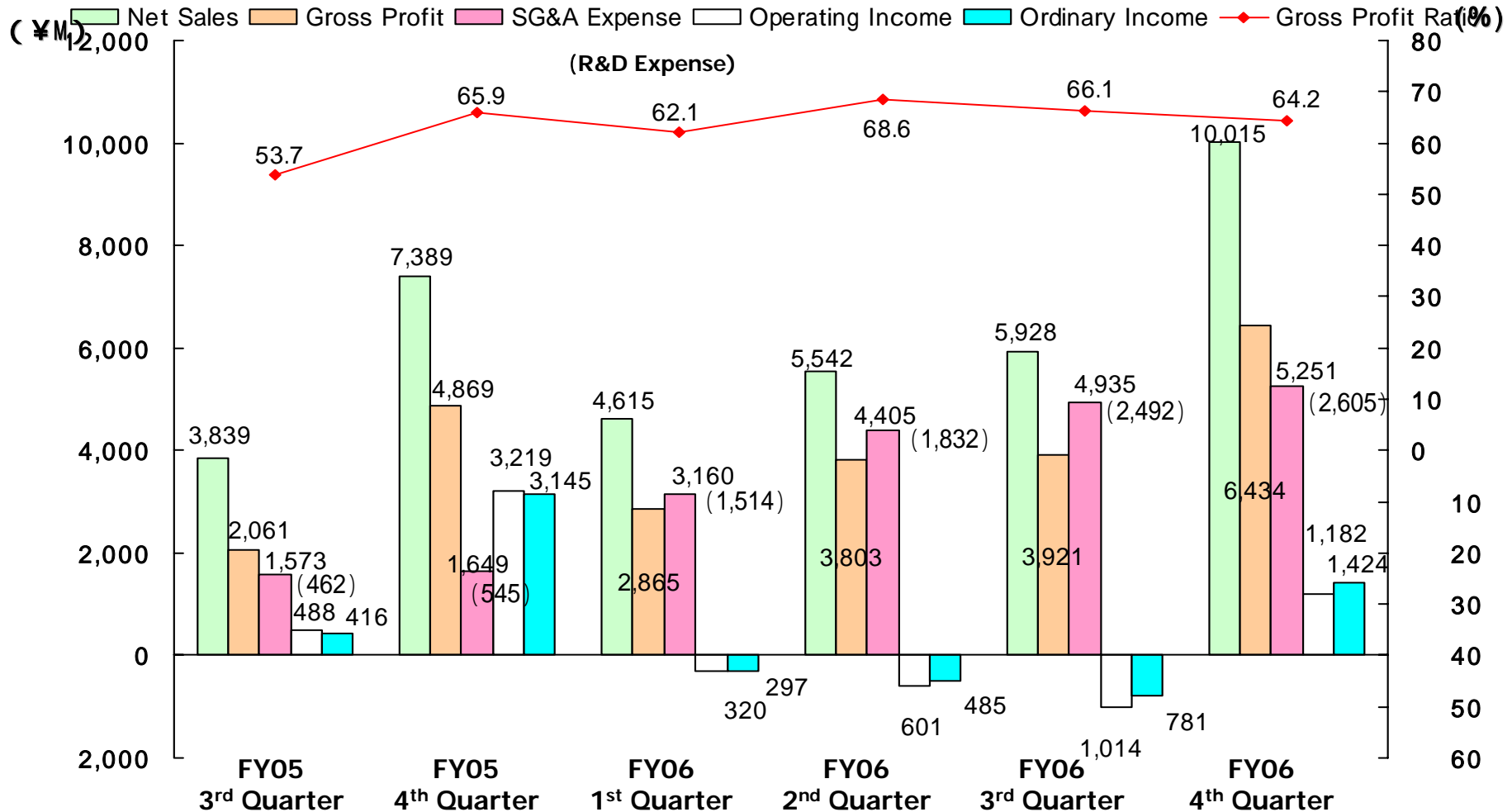
- ASA: ACCESS Systems Americas, Inc. (former PalmSource, Inc.)
- IPI: IP Infusion, Inc.

(JPY Million)	ACCESS	ASA	IPI	OTHER SUBS	Journal Entry Adjust	Goodwill / Intangible Assets Amortization	Consolidated Total
Net Sales	6,990	1,906	246	1,991	1,118	-	10,015
Gross Profit	4,205	1,582	182	332	131	-	6,434
SG&A Expense (Ordinary Expense – Non GAAP)	2,292	2,359	278	75	246	-	5,251
Operating Income (Before Exceptional Expense)	1,912	776	95	257	115	-	1,182
SG&A Expense (Exceptional Expense – GAAP)	-	766	109	-	-	2,787	3,663
Operating Income (After Exceptional Expense)	1,912	1,542	205	257	2,902	-	2,480
Ordinary Income	2,026	1,421	205	150	2,788	-	2,239
Net Income	1,107	1,397	314	270	2,868	-	3,202

# Trend of Quarterly Sales, etc (Consolidated)



Consolidated



(For purpose of comparison, Goodwill Amortization expense is excluded)

# HQ Financial Highlights (4Q & FY06 Total)

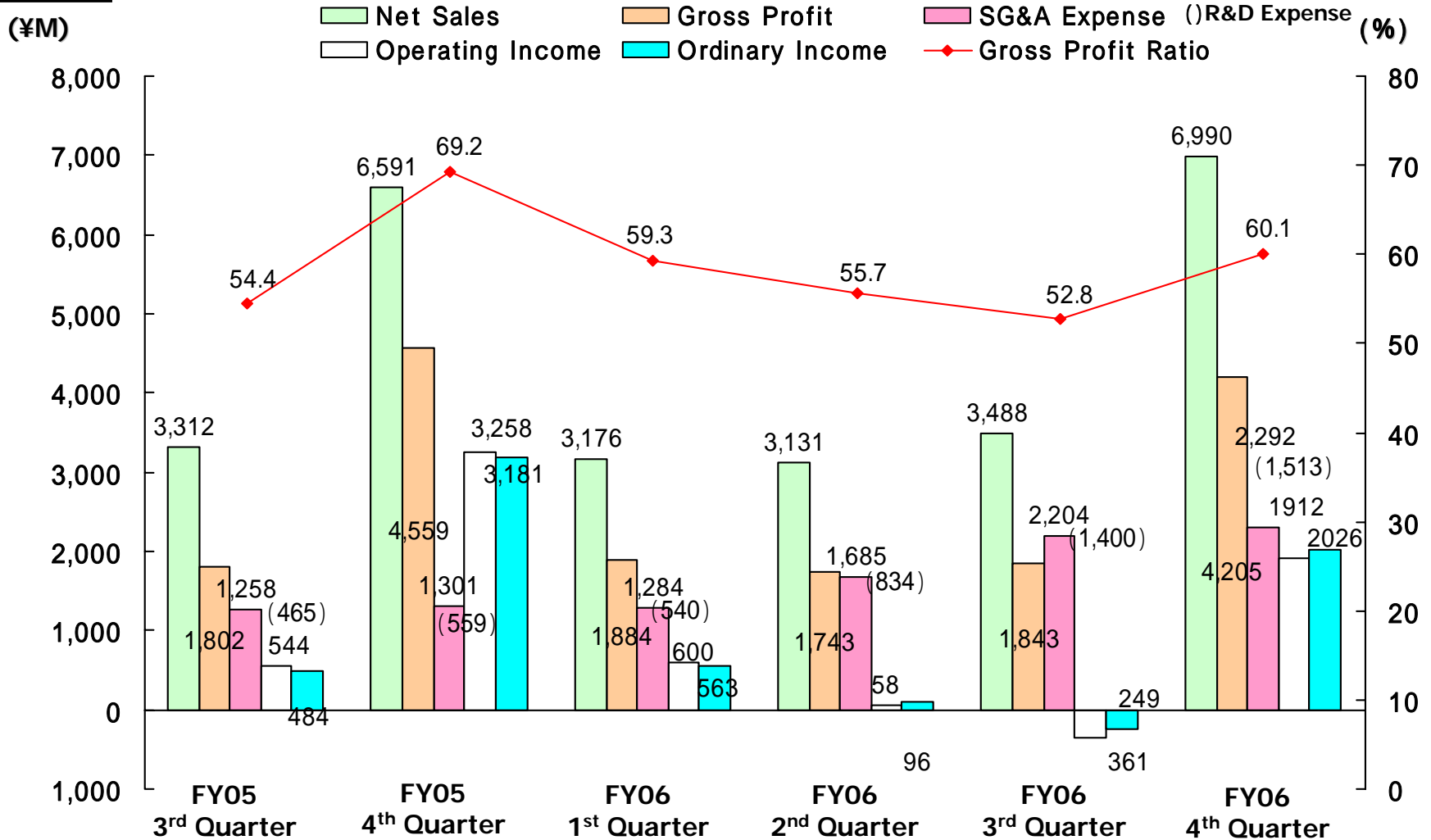


HQ Only

(JPY Million)	FY06 Q4 (current)	FY05 Q4 (previous)	YoY Change	FY06 Total	FY05 Total	% of FY05 Total
<b>Net Sales</b>	6,990	6,591	106.0%	16,787	14,809	113.3%
<b>Gross Profit</b>	4,205	4,559	92.2%	9,677	9,477	102.1%
<b>Gross Profit Ratio</b>	60.1%	69.2%	-	57.6%	64.0%	-
<b>SG&amp;A Expense</b>	2,292	1,301	176.1%	7,466	4,637	160.9%
<b>Operating Income</b>	1,912	3,258	58.7%	2,210	4,839	45.6%
<b>Ordinary Income</b>	2,026	3,181	63.6%	2,435	4,740	51.3%
<b>Net Income</b>	1,107	1,861	59.4%	1,275	2,804	45.4%

# Trend of Quarterly Sales, etc (HQ)

HQ Only

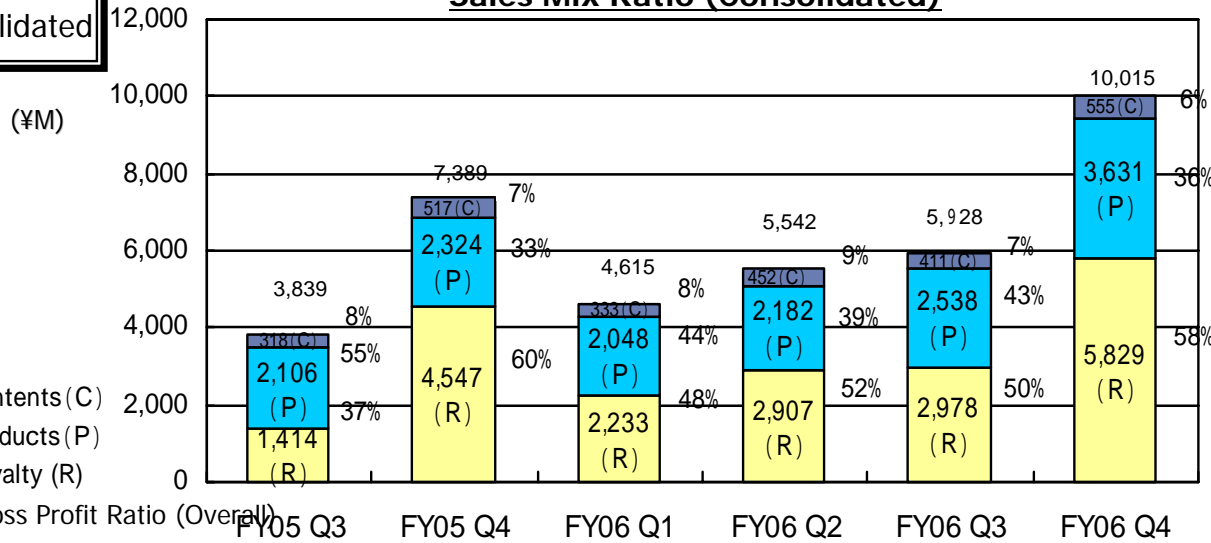


# Trend of Sales & Gross Profit (Consolidated)

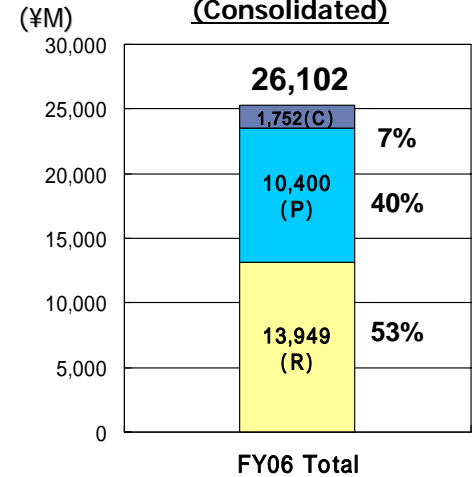


Consolidated

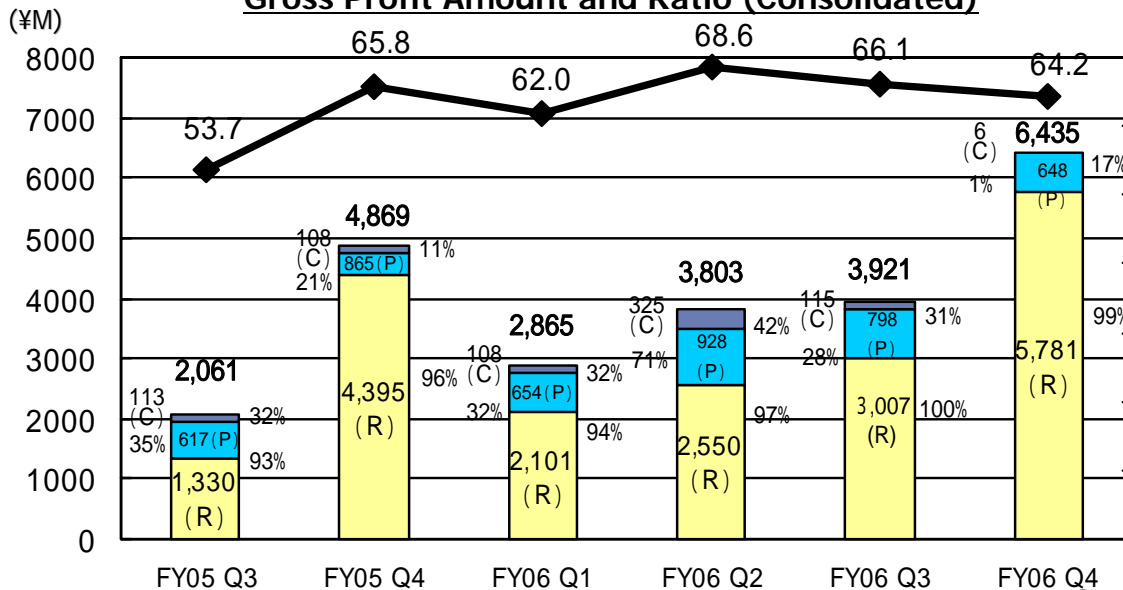
### Sales Mix Ratio (Consolidated)



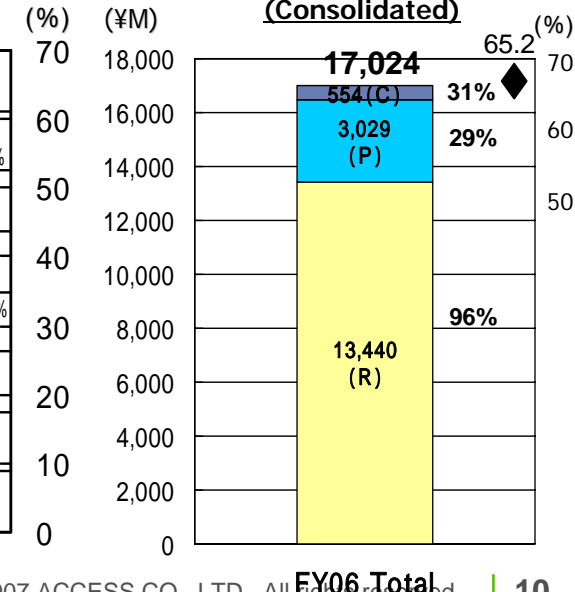
### Sales Mix Ratio (Consolidated)



### Gross Profit Amount and Ratio (Consolidated)



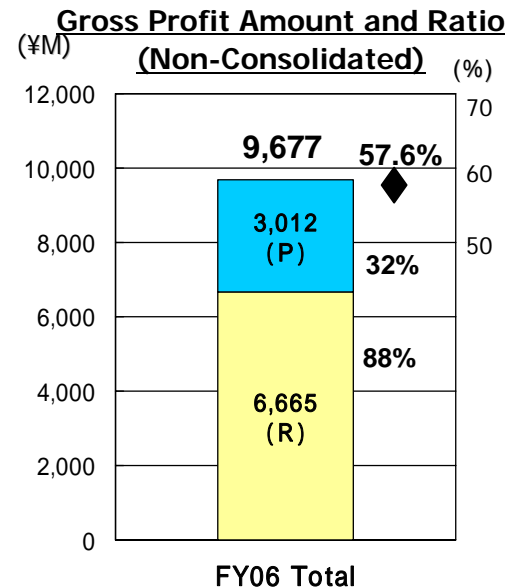
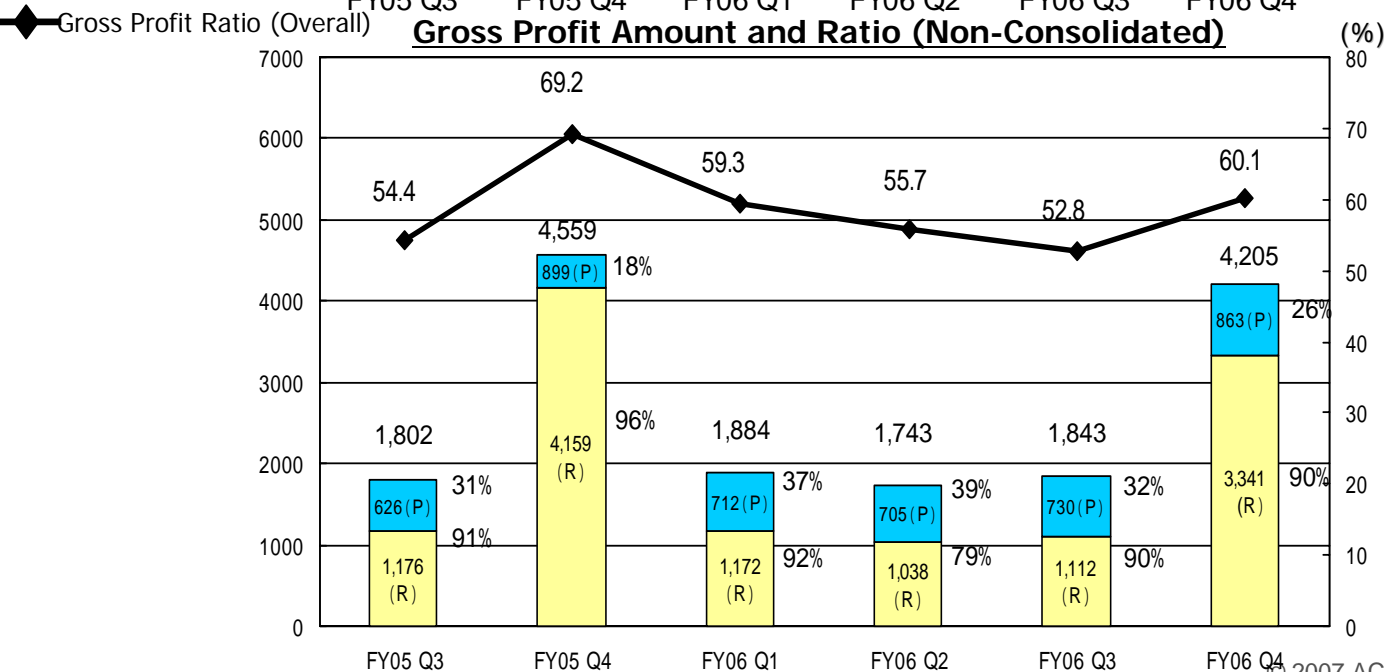
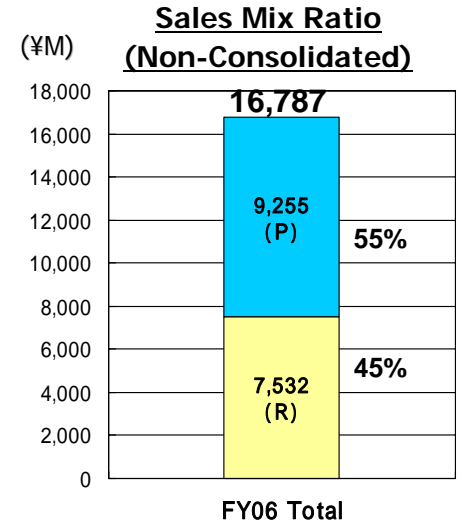
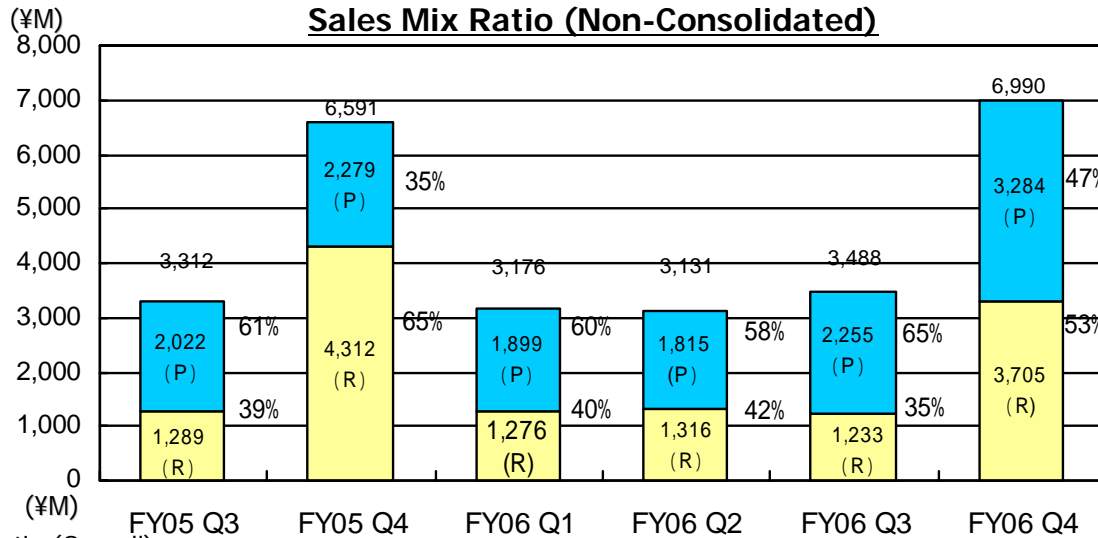
### Gross Profit Amount and Ratio (Consolidated)



# Trend of Sales & Gross Profit (HQ)



HQ Only

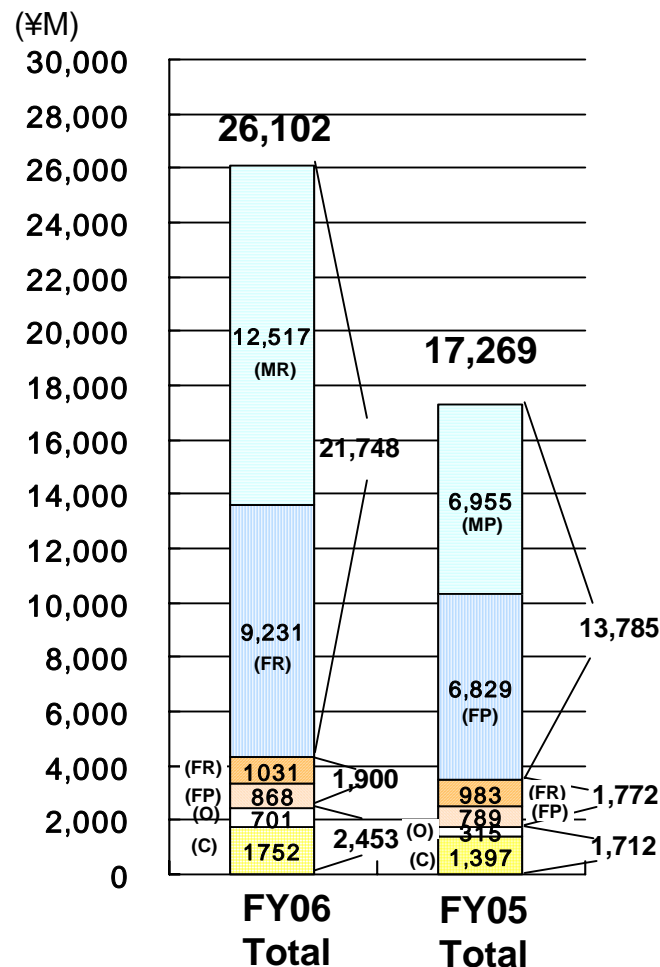
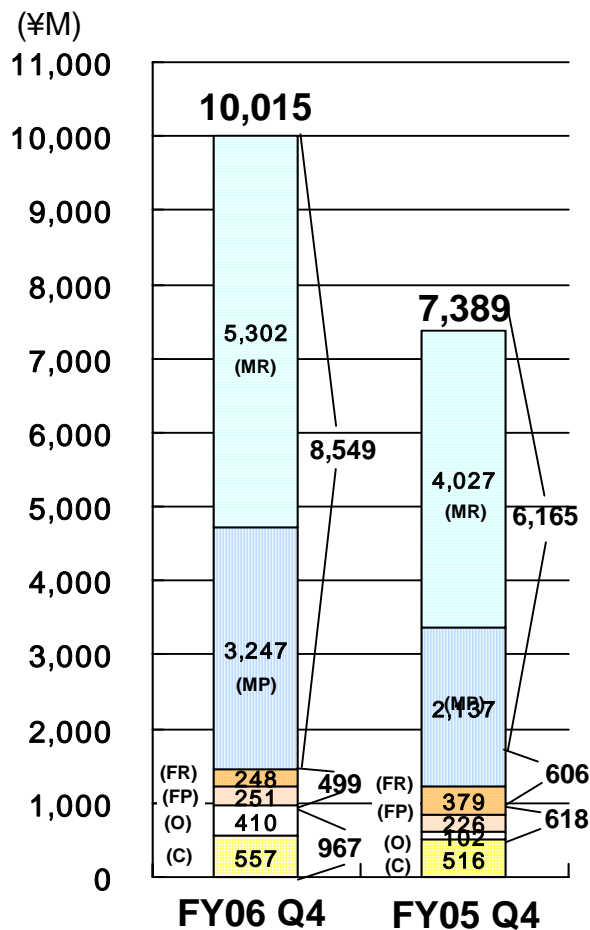


# Breakdown of Sales (Consolidated: Q4 & FY06 Total)



**Consolidated**

- Wireless / Royalty (MR)
- Wired / Royalty (FR)
- SDK, NRE and others / Royalty & Products (O)
- Wireless / Products (MP)
- Wired / Products (FP)
- Contents (C)

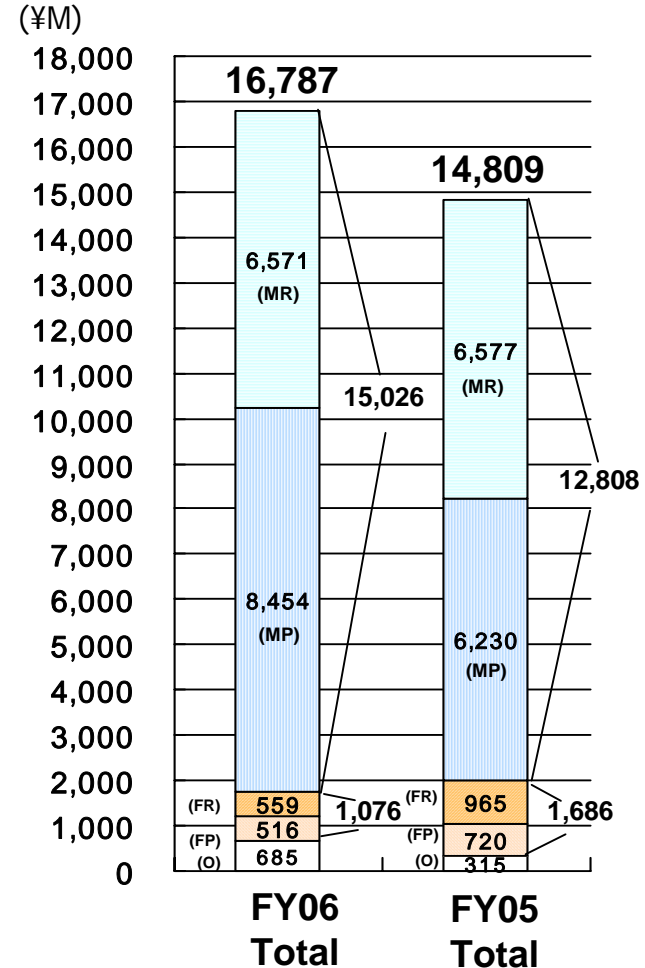
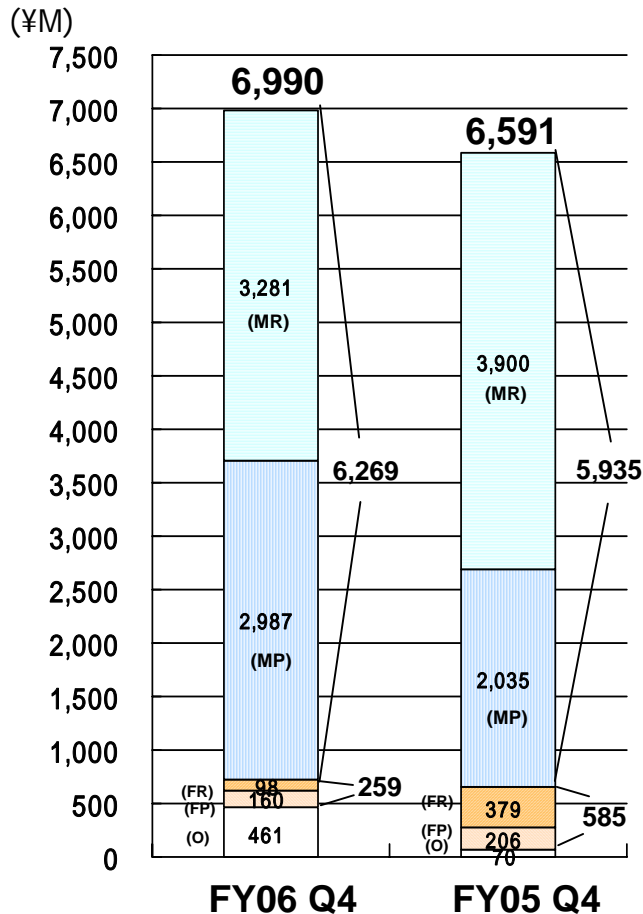


# Breakdown of Sales (HQ: Q4 & FY06 Total)



HQ Only

- Wireless / Royalty (MR)
- Wired / Royalty (FR)
- SDK, NRE and others / Royalty & Products (O)
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- Contents (C)

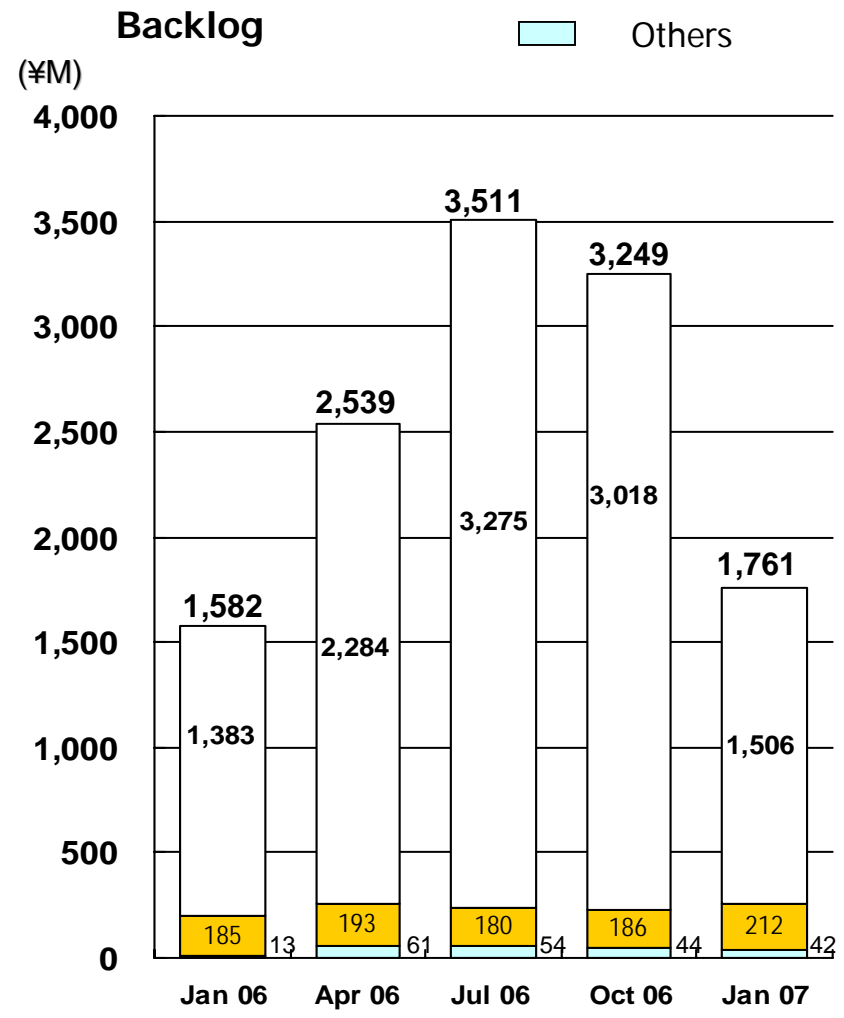
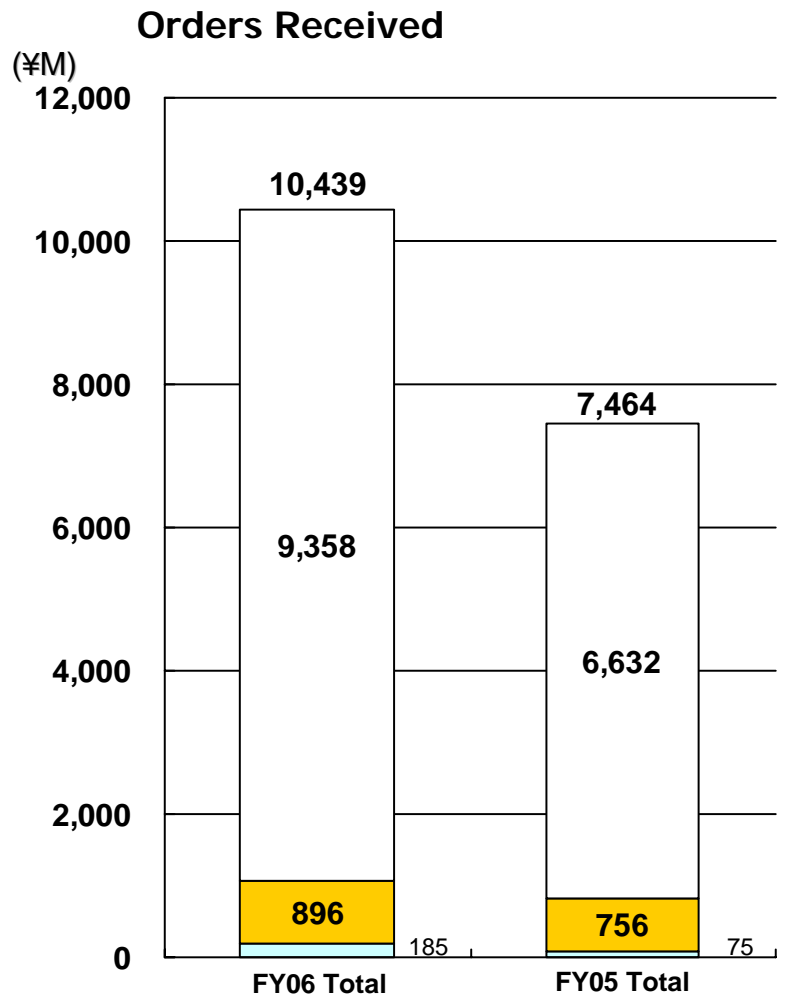


# Orders for NRE Products (Consolidated)



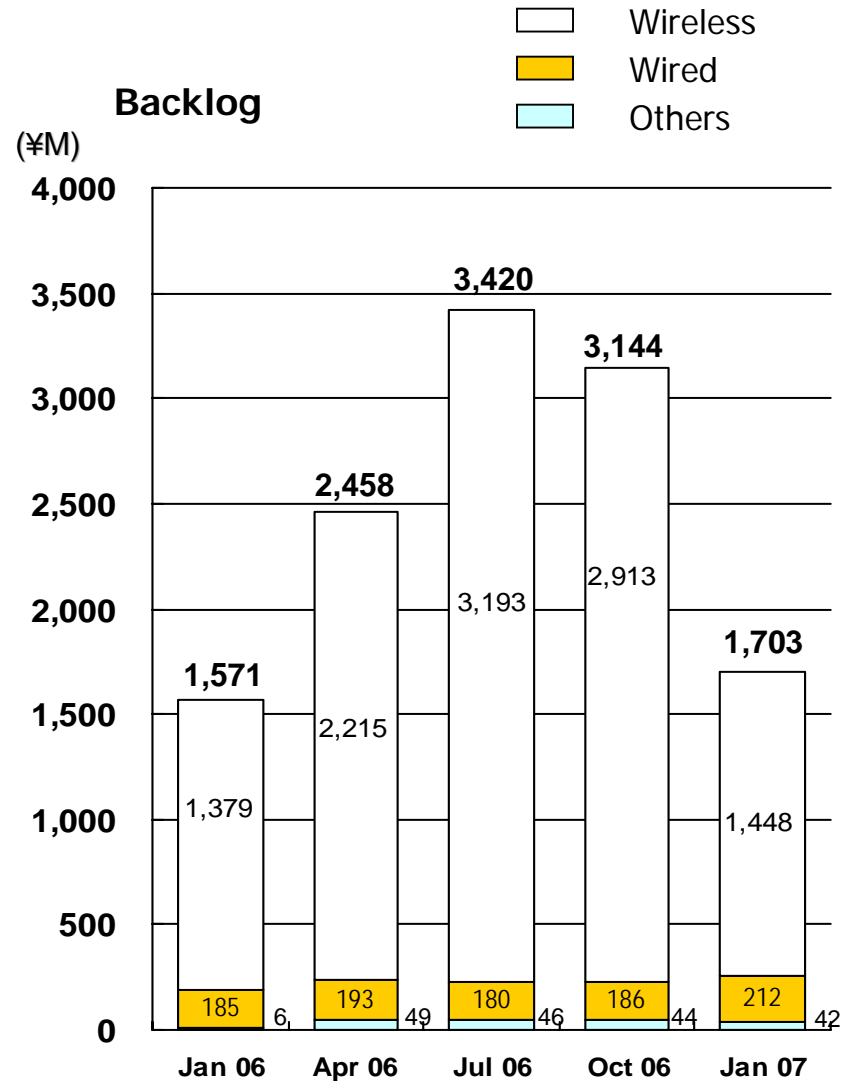
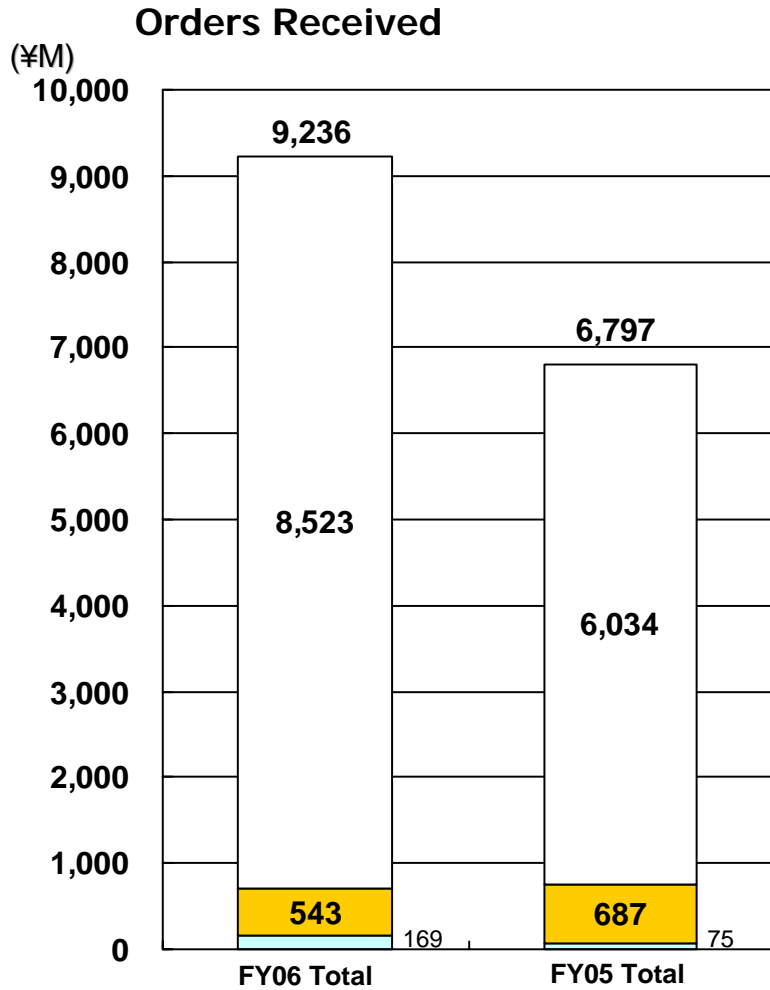
Consolidated

- Wireless
- Wired
- Others



# Orders for NRE Products (HQ)

HQ Only



# Headcount Trend (Consolidated)



Consolidated

(Unit: person)

Region	Year	05/07	06/01	06/07	06/10	07/01
	Japan	443	447	519	525	536
Asia (excluding Japan)	133	505	528	576	606	
North America	35	218	267	279	275	
Europe	47	95	110	117	123	
<b>Total</b>	<b>658</b>	<b>1,265</b>	<b>1,424</b>	<b>1,497</b>	<b>1,540</b>	

# Consolidated Balance Sheet (Summary)



Consolidated

	End of FY06	End of FY05	Gain/Loss
<b>. Current Assets (JPY Million)</b>			
Cash and deposits	14,262	24,916	10,654
Account Receivables	9,815	6,419	3,395
Securities	8,501	6,925	1,575
Inventory	600	508	92
Other	2,190	1,911	278
<b>. Fixed Assets</b>			
Tangible Fixed Assets	1,392	1,444	51
Intangible Fixed Assets	20,621	28,174	7,553
Investments and Other Assets	4,795	5,263	468
<b>Total</b>	<b>62,179</b>	<b>75,565</b>	<b>13,385</b>
<b>. Current Liabilities</b>	<b>9,438</b>	<b>6,117</b>	<b>3,321</b>
<b>. Fixed Liabilities</b>	<b>636</b>	<b>1,514</b>	<b>877</b>
<b>. Total Equity</b>	<b>52,104</b>	<b>67,934</b>	<b>15,829</b>
<b>Total</b>	<b>62,179</b>	<b>75,565</b>	<b>13,385</b>

# Consolidated Cash Flow (Summary)



Consolidated

(JPY Million)      FY06 Q1      FY06Q2      FY06Q3      FY06Q4      FY06 Total      FY05 Total

<b>I. Cash Flow from Operating Activities</b>	1,390	917	2,080	1,164	3,225	4,526
<b>II. Cash Flow from Investing Activities</b>	4,745	1,391	344	423	6,906	36,966
<b>III. Cash Flow from Financing Activities</b>	100	94	0	221	416	52,150
<b>IV. Increase in Cash and Cash Equivalents</b>	6,034	2,281	2,340	1,025	9,630	19,772
<b>V. Balance of Cash and Cash Equivalents at the beginning of the term</b>	26,393	20,359	18,078	15,738	26,393	6,621
<b>VI. Balance of Cash and Cash Equivalents at the end of the term</b>	20,359	18,078	15,738	16,763	16,763	26,393

Net Income before Tax : ¥15,328M  
 Amortization of Goodwill and Tangible/Intangible Assets : 14,701M  
 Increase in Account Receivables : ¥3,433M

Net Income before Tax: ¥4,531 M

Cash flow from MPO (Multiple Public Offering) issuance: ¥37,000 M  
 Cash flow from capital increase: ¥15,000 M

Acquisition of IP Infusion, Inc.: ¥5,822 M  
 Acquisition of ACCESS Seoul, Inc: ¥362M

Acquisition of PalmSource, Inc. ¥35,534 M



## **FY2007 Outlook**

# FY2007 Outlook (Consolidated / 1H & Full Year)



(JPY Million)	1H	2H	Full Year FY07 Outlook	Full Year FY06 Result	YoY (%)
<b>Net Sales</b>	<b>12,369</b>	<b>23,069</b>	<b>35,438</b>	<b>26,102</b>	<b>+35.7%</b>
<b>Ordinary Income</b>	<b>(7,623)</b>	<b>1,271</b>	<b>(6,351)</b>	<b>(15,252)</b>	<b>-</b>
<b>Net Income</b>	<b>(8,247)</b>	<b>(1,885)</b>	<b>(10,132)</b>	<b>(16,032)</b>	<b>-</b>

# FY2007 Outlook (non-Consolidated / 1H & Full Year)



(JPY Million)	1H	2H	Full Year FY07 Outlook	Full Year FY06 Result	YoY (%)
<b>Net Sales</b>	<b>6,365</b>	<b>15,394</b>	<b>21,759</b>	<b>16,787</b>	<b>+29.6%</b>
<b>Ordinary Income</b>	<b>19</b>	<b>7,167</b>	<b>7,187</b>	<b>2,435</b>	<b>+195.0%</b>
<b>Net Income</b>	<b>11</b>	<b>4,250</b>	<b>4,262</b>	<b>1,275</b>	<b>+234.1%</b>