



**FY2007  
Financial Results**

**ACCESS CO., LTD.  
March 25<sup>th</sup> 2008**

## 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**

# Summary of Consolidated Financial Results



Royalty Revenue improved, mainly thanks to increase in mobile handset shipments, compared to the Revised Outlook. However, as product sales undershot the Outlook, Gross Profit fell short of target by JPY148 million.

Meanwhile, SG&A Expense improved significantly by JPY1,129 million, with the result of increase in Ordinary Profit by JPY1,196 million.

(Unit: JPY Million)

FY2007 Financial Results (Consolidated)	Result	Outlook as of Mar. 23, 2007	Change	Revised Outlook as of Sep. 14, 2007	Change
Net Sales	30,279	35,438	(5,159)	30,664	(384)
Gross Profit	17,678	24,913	(7,235)	17,826	(148)
SG&A Expense (Ordinary)	15,110	17,715	(2,605)	16,239	(1,129)
Operating Profit (Non-GAAP)	2,567	7,198	(4,630)	1,587	980
SG&A Expense (Acquisition Related)	13,824	13,932	(108)	14,040	(216)
Operating Profit (GAAP)	(11,256)	(6,734)	(4,522)	(12,453)	1,196
Ordinary Profit	(11,117)	(6,351)	(4,765)	(11,834)	717
Net Profit	(15,758)	(10,132)	(5,626)	(16,656)	898

# Summary of Non-Consolidated Financial Results

**Gross Profit improved by JPY141 million, compared to the Revised Outlook, attributed by sales mix improvement as a result of Royalty Revenue increase.**

**SG&A Expense also improved significantly by JPY1,166 million, with the result of increase in Ordinary Profit by JPY1,307 million.**

**Meanwhile, due to impairment loss of JPY26.5 billion on ASA subsidiary shares, Extraordinary Loss declined by the almost same amount. Thus, Net Profit dropped by JPY 26 billion.**

(Unit: JPY Million)

<b>FY2007 Financial Results (Non-Consolidated)</b>	<b>Result</b>	<b>Outlook as of Mar. 23, 2007</b>	<b>Change</b>	<b>Revised Outlook as of Sep. 14, 2007</b>	<b>Change</b>
Net Sales	20,211	21,759	(1,547)	19,991	220
Gross Profit	9,998	14,614	(4,615)	9,857	141
SG&A Expense	7,342	7,426	(84)	8,508	(1,166)
Operating Profit	2,656	7,187	(4,531)	1,348	1,307
Ordinary Profit	2,113	7,187	(5,074)	1,365	748
Extraordinary Loss	27,954	–	27,954	1,298	26,655
Net Profit	(25,533)	4,262	(29,795)	471	(26,005)

# FY2007 Consolidated Financial Highlights

## 4<sup>th</sup> Quarter (Outlook vs. Result)



(Unit: JPY Million, %)

<b>Consolidated</b>	vs Revised Outlook as of Sep.14, 2007			vs Revised Outlook as of Sep.14, 2007		
	Outlook	3 months Result	Change	Outlook	12 months Result	Change
<b>Net Sales</b>	12,202	11,960	(241)	30,664	30,279	(384)
Products	7,283	6,346	(936)	14,673	13,411	(1,262)
Royalty	4,919	5,614	695	15,990	16,868	877
<b>Gross Profit</b>	7,166	6,496	(669)	17,826	17,678	(148)
<b>(Gross Profit Ratio)</b>	58.7%	54.3%	-4.4%	58.1%	58.3%	0.2%
Products	2,279	1,385	(894)	1,976	1,799	(177)
(Gross Profit Ratio)	31.3%	21.8%	-9.4%	13.5%	13.4%	0.0%
Royalty	4,886	5,111	224	15,849	15,879	29
(Gross Profit Ratio)	99.3%	91.0%	-8.2%	99.1%	94.1%	-4.9%
<b>SG&amp;A Expense (Ordinary)</b>	4,208	3,471	(736)	16,239	15,110	(1,129)
R&D	1,849	1,410	(439)	7,368	6,977	(390)
Other	2,358	2,060	(297)	8,870	8,132	(738)
<b>Operating Profit (non-GAAP)</b>	2,958	3,025	67	1,587	2,567	980
<b>SG&amp;A Expense (Acquisition Related)</b>	3,430	3,361	(68)	14,040	13,824	(216)
<b>Operating Profit (GAAP)</b>	(472)	(336)	135	(12,453)	(11,256)	1,196
<b>Ordinary Profit</b>	(390)	(747)	(356)	(11,834)	(11,117)	717
Extraordinary Expense	(3,171)	(3,036)	135	(4,691)	(4,450)	240
<b>Net Profit</b>	(4,507)	(4,049)	458	(16,656)	(15,758)	898

# FY2007 Consolidated Financial Highlights

## 4<sup>th</sup> Quarter/Total (FY2007 vs. FY2006)



(Unit: JPY Million, %)

<b><u>Consolidated</u></b>	<b>FY2007 4Q</b>	<b>FY2006 4Q</b>	<b>Change</b>	<b>FY2007 Total</b>	<b>FY2006 Total</b>	<b>Change</b>
<b>Net Sale</b>	11,960	10,015	1,944	30,279	26,102	4,176
Products	6,346	4,186	2,160	13,411	12,153	1,258
Royalty	5,614	5,829	(215)	16,868	13,949	2,918
<b>Gross Profit</b>	6,496	6,434	62	17,678	17,024	653
<b>(Gross Profit Ratio)</b>	54.3%	64.2%	-9.9%	58.3%	65.2%	-6.8%
Products	1,385	654	731	1,799	3,585	(1,786)
(Gross Profit Ratio)	21.8%	15.6%	6.2%	13.4%	29.5%	-16.0%
Royalty	5,111	5,780	(668)	15,879	13,439	2,440
(Gross Profit Ratio)	91.0%	99.1%	-8.1%	94.1%	96.3%	-2.2%
<b>SG&amp;A Expense (Ordinary)</b>	3,471	5,251	(1,780)	15,110	17,752	(2,642)
R&D	1,410	2,605	(1,194)	6,977	8,443	(1,465)
Other	2,060	2,646	(585)	8,132	9,308	(1,176)
<b>Operating Profit (non-GAAP)</b>	3,025	1,182	1,842	2,567	(727)	3,295
<b>SG&amp;A Expense (Acquisition Related)</b>	3,361	3,663	(301)	13,824	15,139	(1,314)
<b>Operating Profit (GAAP)</b>	(336)	(2,480)	2,144	(11,256)	(15,866)	4,610
<b>Ordinary Profit</b>	(747)	(2,239)	1,491	(11,117)	(15,252)	4,134
Extraordinary Expense	(3,036)	11	(3,048)	(4,450)	(76)	(4,373)
<b>Net Profit</b>	(4,049)	(3,202)	(847)	(15,758)	(16,032)	274

# FY2007 Non-Consolidated Financial Highlights

## 4<sup>th</sup> Quarter (Outlook vs. Result)



(Unit: JPY Million, %)

<b><u>Non-Consolidated</u></b>	<b>vs Revised Outlook as of Sep.14, 2007</b>			<b>vs Revised Outlook as of Sep.14, 2007</b>		
	<b>Outlook</b>	<b>3 months Result</b>	<b>Change</b>	<b>Outlook</b>	<b>12 months Result</b>	<b>Change</b>
<b>Net Sales</b>	9,401	9,383	(17)	19,991	20,211	220
Products	5,995	5,433	(561)	10,846	10,124	(722)
Royalty	3,406	3,950	544	9,144	10,087	943
<b>Gross Profit</b>	5,014	4,428	(585)	9,857	9,998	141
<b>(Gross Profit Ratio)</b>	53.3%	47.1%	-6.1%	49.3%	49.4%	0.1%
Products	1,945	1,123	(821)	1,761	1,163	(597)
(Gross Profit Ratio)	32.4%	20.6%	-11.7%	16.2%	11.4%	-4.7%
Royalty	3,069	3,305	235	8,095	8,834	739
(Gross Profit Ratio)	90.1%	83.6%	-6.4%	88.5%	87.5%	-0.9%
<b>SG&amp;A Expense</b>	3,140	2,319	(821)	8,508	7,342	(1,166)
R&D	1,963	1,362	(600)	4,760	3,926	(833)
Other	1,177	957	(220)	3,747	3,415	(332)
<b>Operating Profit</b>	1,873	2,108	235	1,348	2,656	1,307
<b>Ordinary Profit</b>	1,893	1,622	(271)	1,365	2,113	748
Extraordinary Expense	(301)	(26,728)	(26,426)	(508)	(27,126)	(26,618)
<b>Net Profit</b>	759	(25,501)	(26,261)	471	(25,533)	(26,005)

# FY2007 Non-Consolidated Financial Highlights

## 4<sup>th</sup> Quarter/Total (FY2007 vs. FY2006)



(Unit: JPY Million, %)

<b>Non-Consolidated</b>	<b>FY2007 4Q</b>	<b>FY2006 4Q</b>	<b>Change</b>	<b>FY2007 Total</b>	<b>FY2006 Total</b>	<b>Change</b>
<b>Net Sales</b>	9,383	6,990	2,393	20,211	16,787	3,424
Products	5,433	3,284	2,148	10,124	9,255	868
Royalty	3,950	3,705	244	10,087	7,532	2,555
<b>Gross Profit</b>	4,428	4,205	222	9,998	9,677	321
<b>(Gross Profit Ratio)</b>	47.1%	60.1%	-12.9%	49.4%	57.6%	-8.1%
Products	1,123	863	259	1,163	3,012	(1,848)
(Gross Profit Ratio)	20.6%	26.2%	-5.6%	11.4%	32.5%	-21.0%
Royalty	3,305	3,341	(36)	8,834	6,665	2,169
(Gross Profit Ratio)	83.6%	90.1%	-6.5%	87.5%	88.5%	-0.9%
<b>SG&amp;A Expense</b>	2,319	2,292	27	7,342	7,466	(124)
R&D	1,362	1,513	(150)	3,926	4,288	(361)
Other	957	779	177	3,415	3,178	237
<b>Operating Profit</b>	2,108	1,912	195	2,656	2,210	445
<b>Ordinary Profit</b>	1,622	2,026	(403)	2,113	2,435	(322)
Extraordinary Expense	(26,728)	(65)	(26,663)	(27,126)	(138)	(26,987)
<b>Net Profit</b>	(25,501)	1,107	(26,609)	(25,533)	1,275	(26,809)

# Cost Analysis of Products (Non-Consolidated)



## Quarterly Product Sales and Gross Profit

(Unit: JPY Million, %)

	1H	3Q			4Q			2H			Total		
		Revised Outlook	Result	Change	Revised Outlook	Result	Change	Revised Outlook	Result	Change	Revised Outlook	Result	Change
Product Net Sales	3,346	1,505	1,344	(160)	5,995	5,433	(561)	7,500	6,777	(722)	10,846	10,124	(722)
Product Cost	3,810	1,225	840	(384)	4,050	4,310	260	5,275	5,150	(124)	9,085	8,960	(124)
Product Gross Profit	(463)	280	503	223	1,945	1,123	(821)	2,225	1,627	(597)	1,761	1,163	(597)
Product Gross Profit Ratio	-13.8%	18.6%	37.5%	18.9%	32.4%	20.6%	-11.7%	29.6%	24.0%	-5.6%	16.2%	11.4%	-4.7%

## Extraordinary Cost (Factors of Low Gross Profit Ratio)

	1H	3Q			4Q			2H			Total		
		Revised Outlook	Result	Change	Revised Outlook	Result	Change	Revised Outlook	Result	Change	Revised Outlook	Result	Change
S Project Cost	244	54	33	(21)	155	173	18	209	207	(2)	454	451	(2)
S Project Loss	582	-	-	-	-	-	-	-	-	-	582	582	-
Reverse for Future Loss	642	-	(123)	(123)	-	972	972	-	848	848	642	1,491	848
Work in Process Loss	62	-	47	47	-	3	3	-	50	50	62	113	50
Total	1,532	54	(43)	(97)	155	1,149	994	209	1,106	896	1,742	2,639	896

## Gross Profit Ratio (Excluding Extraordinary Cost)

	1H	3Q			4Q			2H			Total		
		Revised Outlook	Result	Change	Revised Outlook	Result	Change	Revised Outlook	Result	Change	Revised Outlook	Result	Change
Product Net Sales	3,346	1,505	1,344	(160)	5,995	5,433	(561)	7,500	6,777	(722)	10,846	10,124	(722)
Product Cost (Excl. Extraordinary Cost)	2,277	1,170	883	(286)	3,894	3,160	(734)	5,065	4,043	(1,021)	7,342	6,320	(1,021)
Product Gross Profit (Excl. Extraordinary Cost)	1,069	334	460	126	2,100	2,272	172	2,434	2,733	298	3,504	3,803	298
Product Gross Profit Ratio	31.9%	22.2%	34.3%	12.0%	35.0%	41.8%	6.7%	32.4%	40.3%	7.8%	32.3%	37.5%	5.2%

# Income Analysis: 1-seg Browser and Related Products



(Unit: Thousand Shipment/JPY Thousand)

		FY2006			FY2007			Total
		1H	2H	Total	1H	2H	Total	
Royalty Revenue	Shipment	887	3,193	4,081	4,917	7,643	12,561	16,642
	Sales	45,788	162,889	208,677	278,528	418,344	696,873	905,550
	ASP	52	51	51	57	55	55	54
Cost for S Project		-	251,740	251,740	663,807	-	663,807	915,547
Profit (Sales - Cost)		45,788	(88,851)	(43,063)	(385,278)	418,344	33,066	(9,997)

- **Providing 1-seg (BML) browser and applications to major operators through umbrella agreement**
- **Average unit price over 50 JPY, only through 1-seg browser and applications**
- **Already collected most of return on investment on 1-seg related costs**

# Breakdown of Extraordinary Profit/Loss by Companies



(Unit: JPY Million)

	Breakdown	Non-Consolidated (ACCESS)	ASA	Other Subsidiaries	Consolidated Adjustment Entries	Consolidated Total
<b>Extraordinary Profit</b>	Gain on Change in Equity of Affiliates (AMS)	-	-	194	0	194
	Gain on Sale of Investment Securities	35	-	-	0	35
	Gain on Sale of Investments in Affiliates (IPI, SPM)	768	2	-	(767)	3
	Dividend in Liquidation of Affiliates (AH)	20	-	-	(20)	-
	Other	2	-	-	0	3
	<b>Total</b>		<b>827</b>	<b>2</b>	<b>194</b>	<b>(788)</b>
<b>Extraordinary Loss</b>	Impairment Loss of Intangible Fixed Assets	-	2,730	-	0	2,730
	Expenses related to Dispute Reconciliation (Unisys)	886	-	-	0	886
	Restructuring Expenses	-	490	-	0	490
	Expenses of Liquidation of Affiliates (AH, CV, RZ)	-	-	128	123	252
	Valuation Loss on Investment Securities (Nano media)	179	-	-	0	179
	Ad Hoc Amortization of Old Mission Critical System	64	-	-	0	64
	Valuation Loss on Shares in Affiliates (ASA and others)	26,650	-	58	(26,709)	-
	Provision for Allowance for Doubtful Accounts	167	-	-	(167)	-
	Other	4	-	78	0	82
<b>Total</b>		<b>27,954</b>	<b>3,220</b>	<b>265</b>	<b>(26,754)</b>	<b>4,686</b>

# Impairment of ASA Subsidiary Shares



## ○ Accounting Method of Expense related to IPI Acquisition

### Japan GAAP

#### ○ Goodwill

Four-year equal amortization

On the Consolidated Accounting,

- Amortization of JPY780 million in FY2006
- Amortization of JPY940 million in FY2007
- Amortization of JPY940 million in FY2008 (plan)
- Amortization of JPY940 million in FY2009 (plan)
- Amortization of JPY170 million in FY2010 (plan)

Total JPY3.8 billion

Outstanding balance of JPY2 billion as of the end of FY 2007

#### ○ Intangible Fixed Asset

Same method as US GAAP

### US GAAP

#### ○ Goodwill

No amortization in principle

Impairment test is performed for IPI at the close of every fiscal year to recognize impairment charges.

On IPI's Individual Accounting,

- Recognition of about USD6.5 million based on impairment test in FY2006
- No recognition for FY 2007

Outstanding balance of about USD25 million as of the end of FY2007

#### ○ Intangible Fixed Asset

Recognition of ordinary amortization and impairment charges based on annual impairment test until 2011

On IPI's Individual Accounting,

- Amortization of about USD7.1 million and impairment charges of USD0.7 million based on the impairment test in FY2006
- Amortization of about USD3.1 million in FY2007

Total about USD11 million

Outstanding balance of USD7 million as of end of FY2007

# Impairment of ASA Subsidiary Shares



## ○ Accounting Method of ASA Acquisition Related Expense and Change in Net Asset

### Japan GAAP

#### ○ Goodwill

Two-year equal amortization

On the Consolidated Accounting,

- Amortization of JPY9.9 billion in FY2006
- Amortization of JPY9.9 billion in FY2007

Total JPY19.9 billion

No outstanding balance as of the end of FY2007

#### ○ Intangible Fixed Asset

Same method as US GAAP

### US GAAP

#### ○ Goodwill

No amortization in principle

Impairment test is performed for ASA at the close of every fiscal year to recognize impairment charges.

On ASA's Individual Accounting

- No recognition in FY2006
- Recognition of all charges in FY2007

No outstanding balance as of the end of FY2007

#### ○ Intangible Fixed Asset

Recognition of all charges by the end of FY2007

On ASA's Individual Accounting,

- Ordinary amortization of about USD16 million in FY2005
- Ordinary amortization of about USD18 million in FY2006
- Ordinary amortization of about USD18 million, and impairment charges of outstanding USD23 million in FY 2007

Total About USD77 million

No outstanding balance as of the end of FY2007

# Impairment of ASA Subsidiary Shares



## ○ Accounting Method of ASA Acquisition Related Expense and Change in Net Asset (continued from previous page)

### Japan GAAP

#### ○ Handling of IPI shares upon consolidation to ASA

Upon sale of IPI shares to ASA in Oct. 2007, ASA appraised IPI based on Net Asset. Thus, capital was reduced by USD29 million in effect.

- Value of sale of IPI shares                      USD63 million
- IPI Net Asset    USD34 million

ASA's Net Asset declined by the difference  
(USD29 million = about JPY3.3 billion).

The above capital reduction was reflected on ASA's individual (sub-consolidated) financial reports and on Japan's consolidated reports, too, excluding goodwill, for consistency.

### US GAAP

#### ○ Reasons for Impairment at ASA (Goodwill and Intangible Fixed Assets)

- Termination of PalmOS sale
- Positioning of ASA as HQ's R&D and outsourcing subsidiary, since sales and R&D from now on are centrally managed by HQ after ALP transfer to HQ.



Given the above situation, to achieve consistency between Japan and US accounting methods, the valuation loss on ASA's subsidiary shares (about JPY26.5 billion) was accounted for under Extraordinary Loss of Non-Consolidated P/L.

Valuation loss on ASA's subsidiary shares = ASA's Net Asset (reflecting IPI's Net Asset) - ASA's share acquisition cost



# Financial Status as of End of FY2007



## Before Impairment

B/S Consolidating ASA based on Consolidated Accounting (incl. IPI) (Unit: USD Million)

Asset (138)	Debt
Cash & Cash Equivalents 69	16
Other 21	Capital 122
IA (31) ASA 23 IPI 7	
GW (18) ASA 0 IPI 18	

B/S Consolidating ASA based on Individual Accounting (incl. IPI) (Unit: USD Million)

Asset (303)	Debt
Cash & Cash Equivalents 69	16
Other 21	Capital 286
IA (31) ASA 23 IPI 7	
GW (182) ASA 156 IPI 25	

Inconsistent due to different GW accounting process between Japan and US

Non-Consolidated B/S (Unit: JPY Million)

Asset	
Subsidy shares	
ASA 3,870	
IPI ---	

## After Impairment

B/S Consolidating ASA based on Consolidated Accounting (incl. IPI) (Unit: USD Million)

Asset (115)	Debt
Cash & Cash Equivalents 69	16
Other 21	Capital 98
IA (7) ASA 0 IPI 7	
GW (18) ASA 0 IPI 18	

B/S Consolidating ASA based on Individual Accounting (incl. IPI) (Unit: USD Million)

Asset (122)	Debt
Cash & Cash Equivalents 69	16
Other 21	Capital 106
IA (7) ASA 0 IPI 7	
GW (25) ASA 0 IPI 25	

Almost same excluding IPI GW

Due to impairment loss of subsidiary shares in the same amount as amortization of GW by ASA

**Consistent**

Impairment of about JPY26.5B

Non-Consolidated B/S (Unit: JPY Million)

Asset	
Subsidy shares	
ASA 1,220	
IPI ---	

## ○ Business Status

- ALP Business
  - From FY2008 onward, ALP equipped mobile handsets will be gradually released, including shipments of Samsung mobile handsets to Orange abroad.
  - ALP platform will be provided to DoCoMo, NEC and Panasonic in Japan.
  - May inquiries are being received as of now.
- IPI Business
  - IPI Business improved significantly to turn profitable in FY2007 after reporting losses in FY2006 (at the level of Operating Profit before Acquisition Related Expense)
  - Orders are steadily increasing thanks to start of NGN in Japan

## ○ The Company's Understanding

When each business of ALP (platform) and IPI in ACCESS Group is regarded as one segment, the respective business value is not damaged at all.

The posting of valuation loss on subsidiary shares this time

1. is the result of resolving the contradiction caused by different accounting standards for consolidated and subsidiary financial statements and of achieving consistency in accounting processes between Japan and US, and thereby the Company doesn't think it will affect the Group, ALP business and IPI business in reality.
2. is to resolve risk of impairment loss on the non-consolidated basis and to prepare for measures to reward shareholders such as share buyback and dividend payment based on approval for reversal of capital reserve by the general shareholders meeting.

# Balance Sheet (Summary)



(JPY Million)

	End of FY07		End of FY06		Change	
	<u>Consolidated</u>	<u>Non-Consolidated</u>	<u>Consolidated</u>	<u>Non-Consolidated</u>	<u>Consolidated</u>	<u>Non-Consolidated</u>
. Current Assets						
Cash and Deposits	12,888	8,028	14,262	8,022	(1,373)	6
Account Receivables	10,628	9,974	9,815	7,260	813	2,714
Securities	5,515	72	8,501	983	(2,985)	(910)
Inventory	361	248	600	516	(238)	(268)
Other	2,351	1,649	2,190	1,695	160	(46)
. Fixed Assets						
Tangible Fixed Assets	1,329	530	1,392	554	(62)	(24)
Intangible Fixed Assets	4,131	3,113	20,621	356	(16,490)	2,757
[M&A Related Goodwill]	[ 2,651 ]	-	[ 13,762 ]	-	[ (11,110) ]	-
Investment & Other Assets	4,635	23,086	4,795	53,399	(159)	(30,313)
<b>Total</b>	<b>41,842</b>	<b>46,703</b>	<b>62,179</b>	<b>72,787</b>	<b>(20,336)</b>	<b>(26,084)</b>
. Current Liabilities	6,121	3,811	9,438	4,004	(3,317)	(193)
. Fixed Liabilities	432	168	636	326	(203)	(158)
. Total Equity	35,289	42,723	52,104	68,456	(16,815)	(25,733)
<b>Total</b>	<b>41,842</b>	<b>46,703</b>	<b>62,179</b>	<b>72,787</b>	<b>(20,336)</b>	<b>(26,084)</b>

# Consolidated Cash Flow (Summary)



(JPY Million)	FY07 Q1	FY07 Q2	FY07 Q3	FY07 Q4	FY07 Total	FY06 Total
<b>I. Cash Flow from Operating Activities</b>	3,683	(2,608)	(1,672)	(1,179)	(1,777)	(3,225)
<b>II. Cash Flow from Investing Activities</b>	(3,716)	1,719	202	320	(1,473)	(6,906)
<b>III. Cash Flow from Financing Activities</b>	12	-	482	(10)	484	416
<b>IV. Increase in Cash and Cash Equivalents</b>	(110)	(472)	(1,615)	(1,321)	(3,520)	(9,630)
<b>V. Balance of Cash and Cash Equivalents at the Beginning of the Term</b>	16,763	16,652	16,180	14,564	16,763	26,393
<b>VI. Balance of Cash and Cash Equivalents at the end of the Term</b>	16,652	16,180	14,564	13,242	13,242	16,763

Net Income Before Tax: -JPY15,567M  
 Depreciation and Amortization of Goodwill : JPY14,197M  
 Impairment Loss: JPY2,809M

Revenue by transferring IP: JPY752M  
 Purchase of Investment Securities: -JPY1,111M

Acquisition of IP Infusion, Inc.: -JPY5,822M  
 Acquisition of ACCESS Seoul, Inc.: -JPY362M

Net Income Before Tax: -JPY15,328M  
 Depreciation and Amortization of Goodwill: JPY14,701M  
 Increase in Account Receivables: -JPY3,433M



## **FY2008 Outlook**

# FY2008 Outlook (Consolidated/1H and Total)



(JPY Million)	1H	2H	Total	FY2007 Result	Change (%)
<b>Net Sales</b>	<b>8,648</b>	<b>22,778</b>	<b>31,426</b>	<b>30,279</b>	<b>+3.8%</b>
<b>Operating Profit</b>	<b>(4,194)</b>	<b>5,102</b>	<b>908</b>	<b>(11,256)</b>	<b>—</b>
<b>Ordinary Profit</b>	<b>(4,087)</b>	<b>5,187</b>	<b>1,100</b>	<b>(11,117)</b>	<b>—</b>
<b>Net Profit</b>	<b>(2,634)</b>	<b>3,340</b>	<b>705</b>	<b>(15,758)</b>	<b>—</b>

# FY2008 Outlook (Non-Consolidated/1H and Total)



(JPY Million)	1H	2H	Total	FY2007 Result	Change (%)
<b>Net Sales</b>	<b>6,268</b>	<b>19,231</b>	<b>25,500</b>	<b>20,211</b>	<b>+26.2%</b>
<b>Operating Profit</b>	<b>(2,801)</b>	<b>4,801</b>	<b>2,000</b>	<b>2,656</b>	<b>-24.7%</b>
<b>Ordinary Profit</b>	<b>(2,801)</b>	<b>4,801</b>	<b>2,000</b>	<b>2,113</b>	<b>-5.3%</b>
<b>Net Profit</b>	<b>(1,661)</b>	<b>2,847</b>	<b>1,186</b>	<b>(25,533)</b>	<b>—</b>

# Appendix

# Results of Major Subsidiaries (Total)



**ASA: ACCESS Systems Americas**

**ASE: ACCESS Systems Europe**

**ASC: ACCESS China**

**AS: ACCESS Seoul**

**IPI: IP Infusion**

(JPY Million)	ACCESS	ASA	ASE	ASC	AS	IPI	Other Subs	Revision	Goodwill Amortization	Consolidated Total
Net Sales	20,211	6,970	1,711	1,513	944	1,342	2,132	(4,547)	–	30,279
Gross Profit	9,998	6,404	608	158	58	1,053	606	(1,209)	–	17,678
SG&A Expense (Ordinary)	7,342	5,767	880	565	86	998	1,052	(1,582)	–	15,110
Operating Profit (Non-GAAP)	2,656	637	(271)	(407)	(27)	54	(445)	372	–	2,567
SG&A Expense (Acquisition Related)	–	2,327	–	22	–	358	–	–	11,115	13,824
Operating Profit (GAAP)	2,656	(1,690)	(271)	(429)	(27)	(304)	(445)	372	(11,115)	(11,256)
Ordinary Profit	2,113	(984)	(266)	(346)	(19)	(322)	(456)	280	(11,115)	(11,117)
Net Profit	(25,533)	(4,155)	(192)	(346)	(24)	(341)	(448)	26,398	(11,115)	(15,758)

# Results of Major Subsidiaries (FY07 4<sup>th</sup> Quarter: Nov. – Jan.)

**ASA: ACCESS Systems Americas**

**ASE: ACCESS Systems Europe**

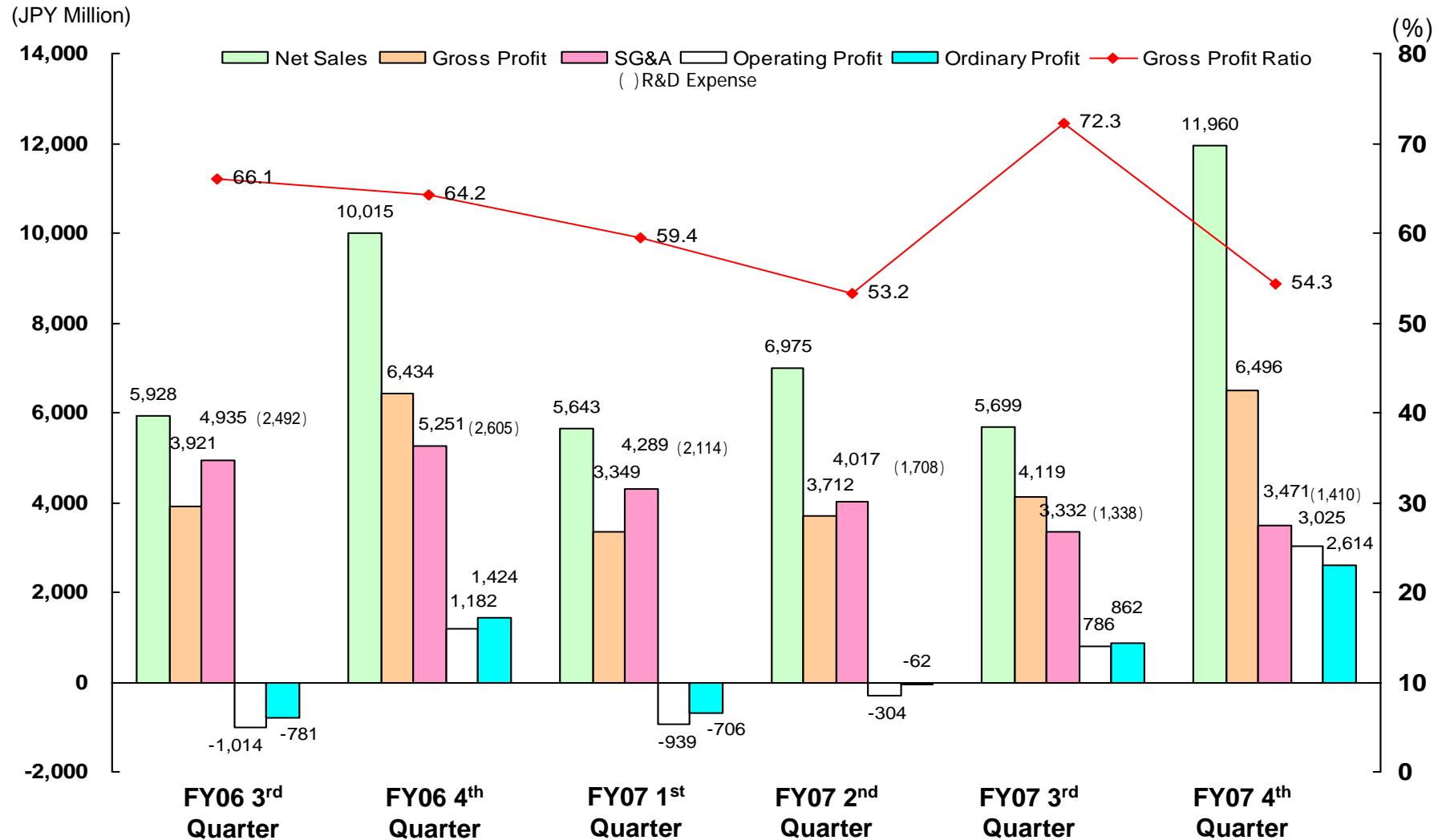
**ASC: ACCESS China**

**AS: ACCESS Seoul**

**IPI: IP Infusion**

(JPY Million)	ACCESS	ASA	ASE	ASC	AS	IPI	Other Subs	Revision	Goodwill Amortization	Consolidated Total
Net Sales	9,383	2,150	454	507	290	394	676	(1,897)	-	11,960
Gross Profit	4,428	2,047	111	75	71	295	311	(843)	-	6,496
SG&A Expense (Ordinary)	2,319	1,333	274	154	31	193	299	(1,135)	-	3,471
Operating Profit (Non-GAAP)	2,108	713	(163)	(78)	39	101	12	291	-	3,025
SG&A Expense (Acquisition Related)	-	494	-	4	-	86	-	-	2,776	3,361
Operating Profit (GAAP)	2,108	219	(163)	(83)	39	14	12	291	(2,776)	(336)
Ordinary Profit	1,622	327	(164)	(35)	42	10	0	226	(2,776)	(747)
Net Profit	(25,501)	(2,375)	(155)	(35)	37	5	8	26,744	(2,776)	(4,049)

# Trend of Quarterly Sales, etc. (Consolidated)

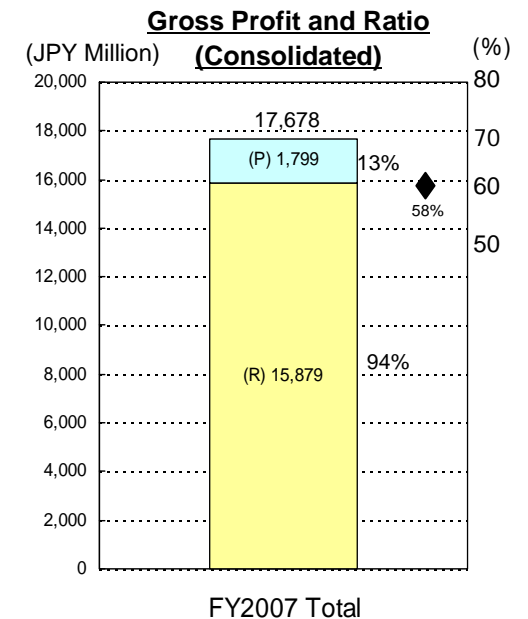
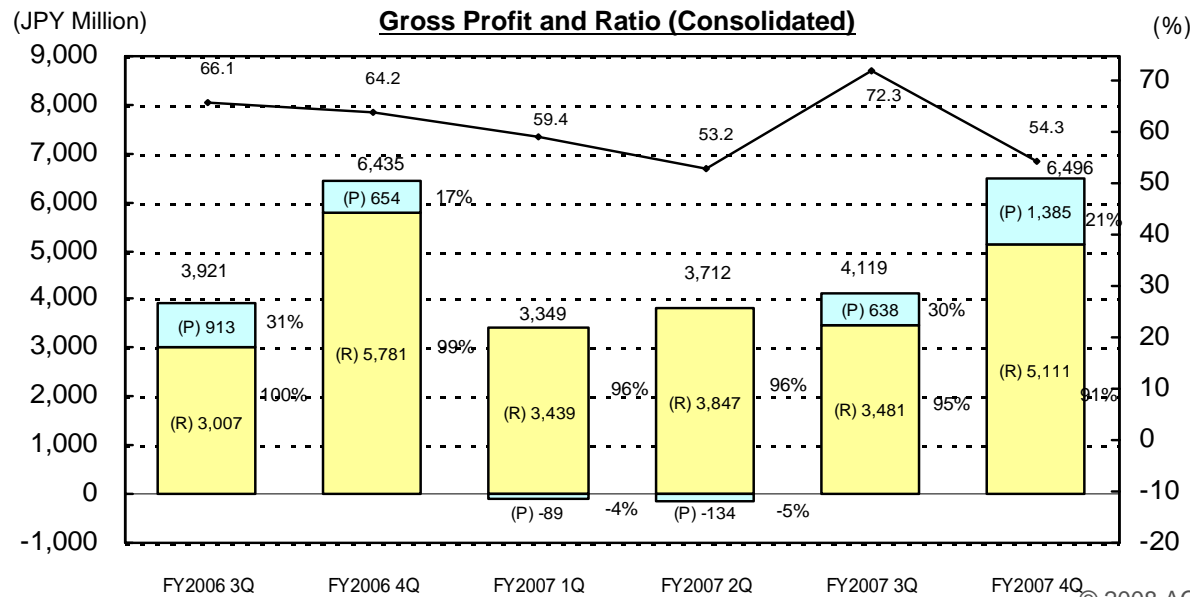
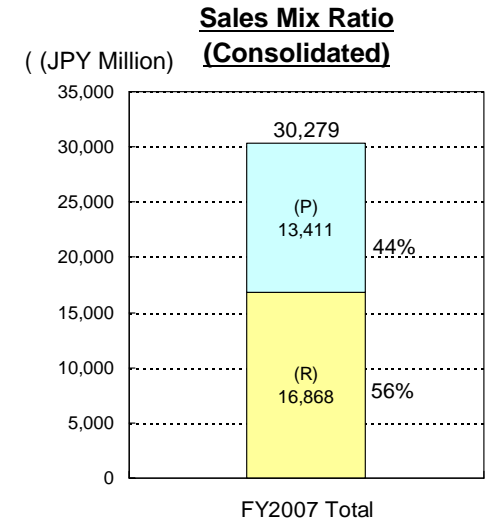
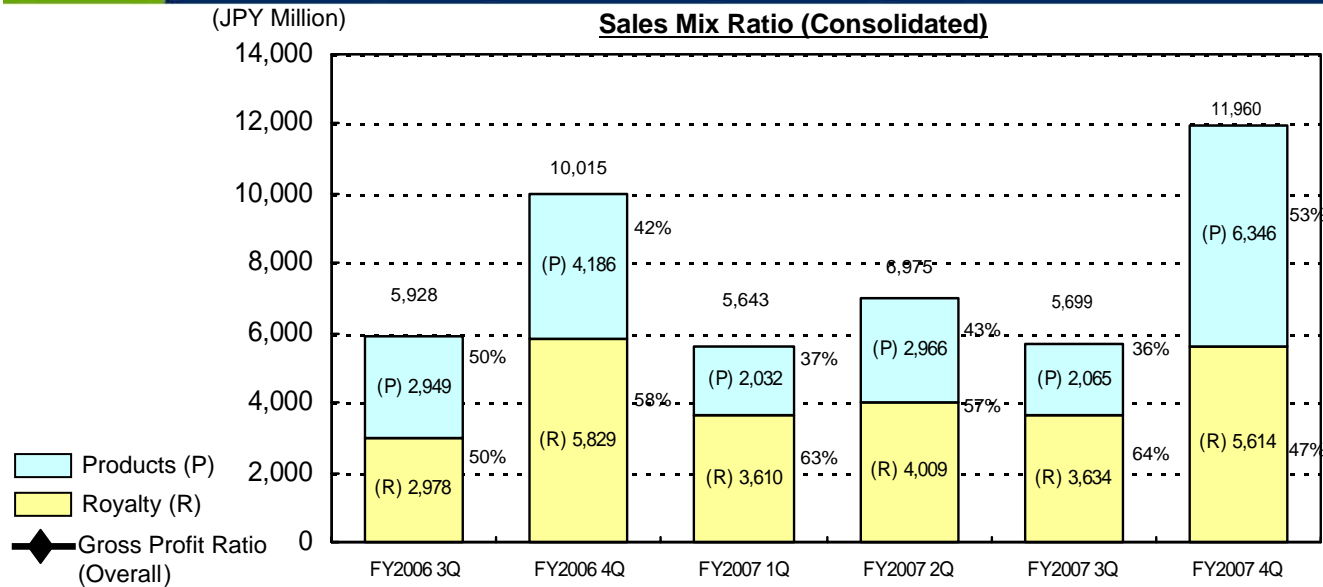


(For purpose of comparison, Goodwill Amortization expense is excluded.)

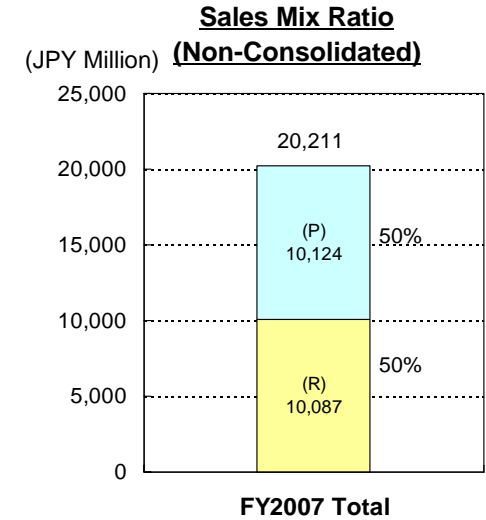
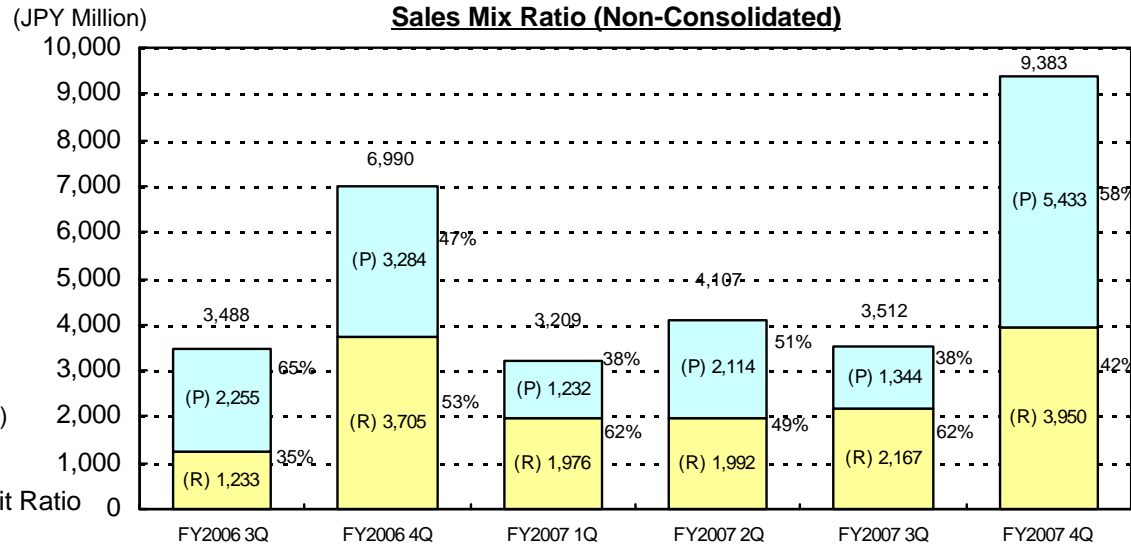
# Trend of Quarterly Sales, etc. (Non-Consolidated)



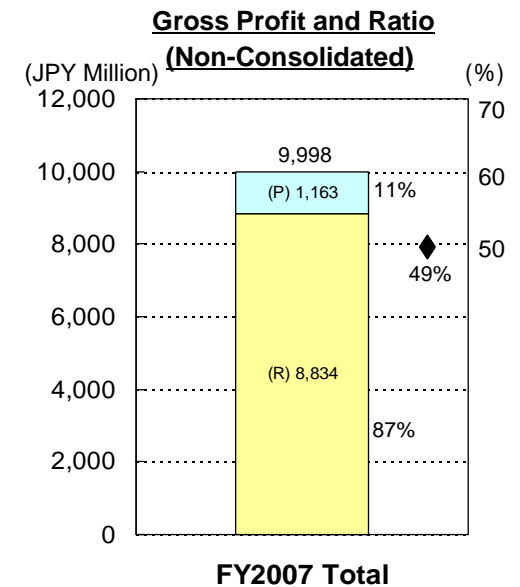
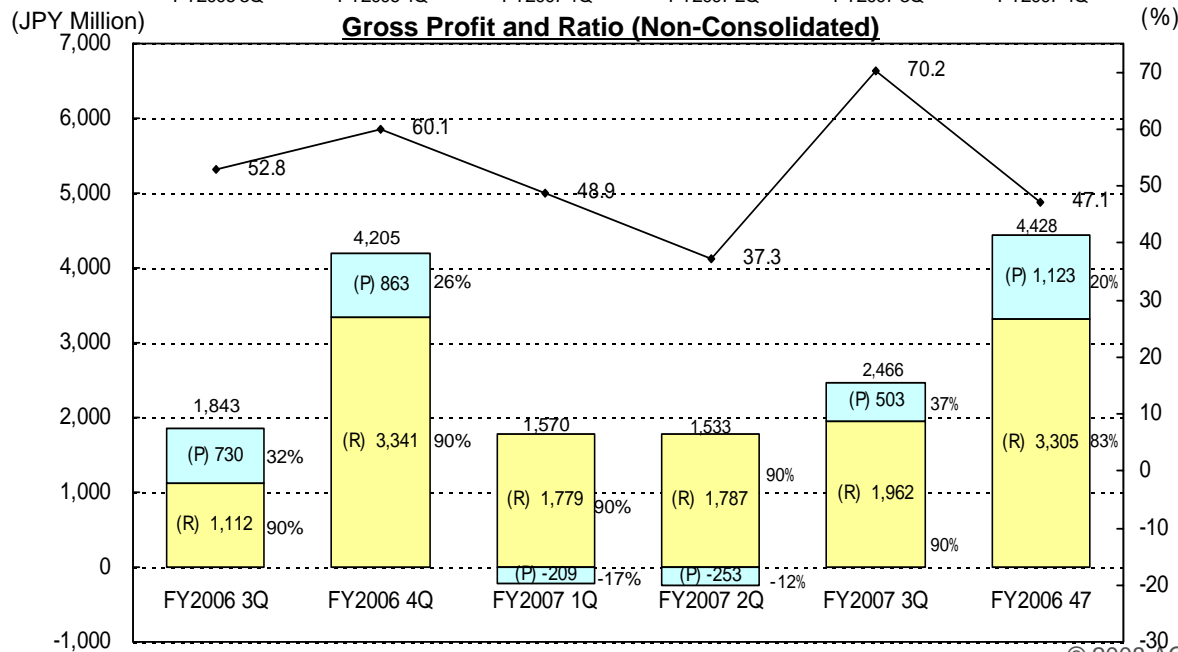
# Trend of Sales & Gross Profit (Consolidated)



# Trend of Sales & Gross Profit (Non-Consolidated)



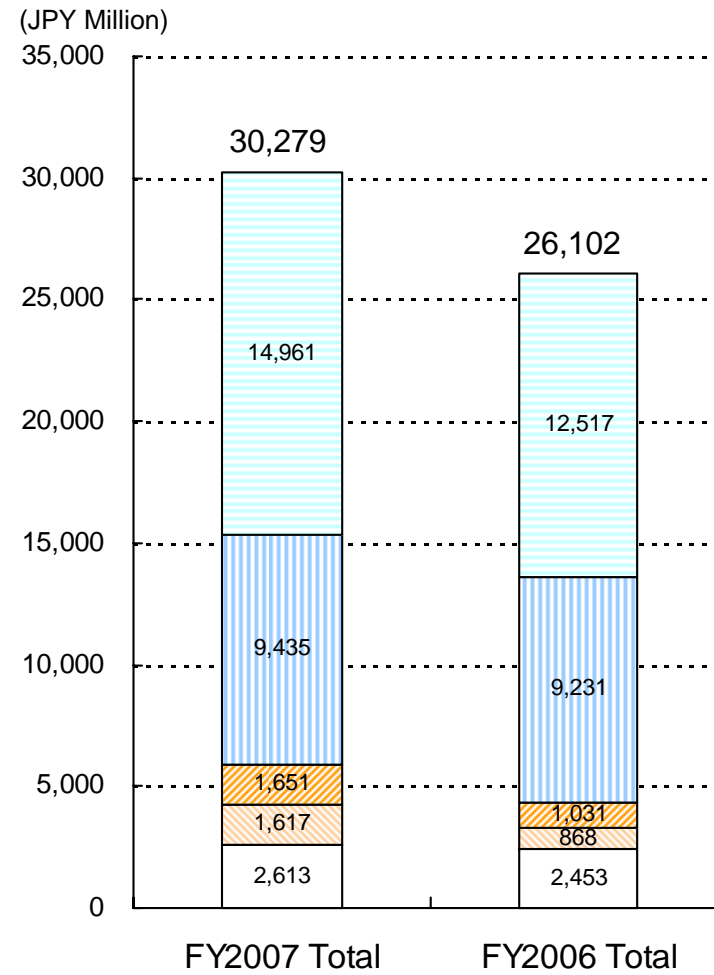
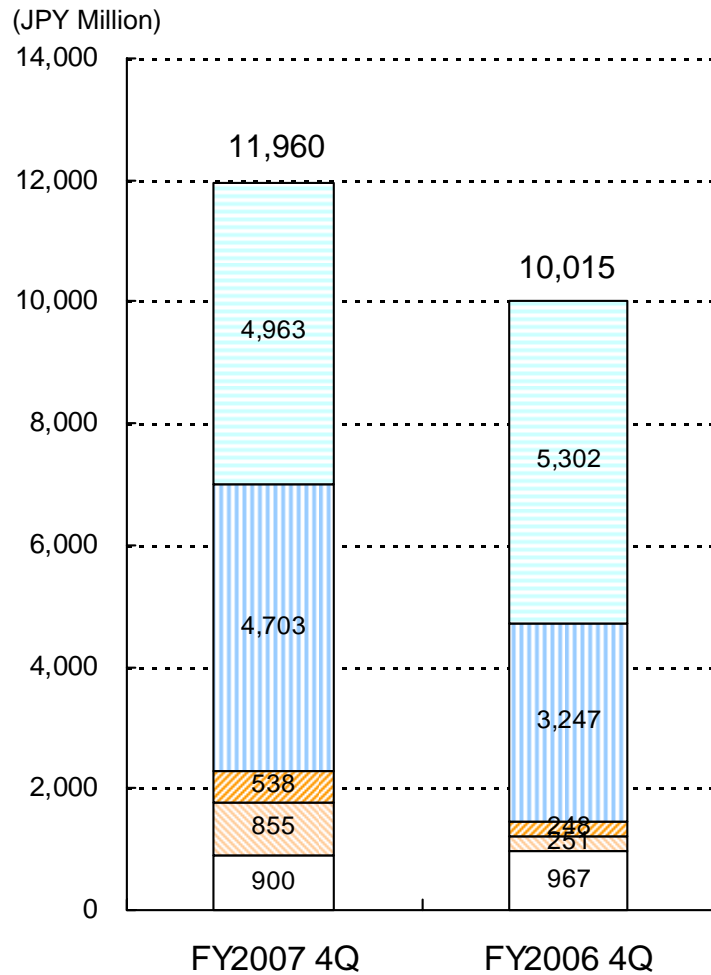
■ Products (P)  
■ Royalty (R)  
◆ Gross Profit Ratio (Overall)



# Breakdown of Sales (Consolidated)



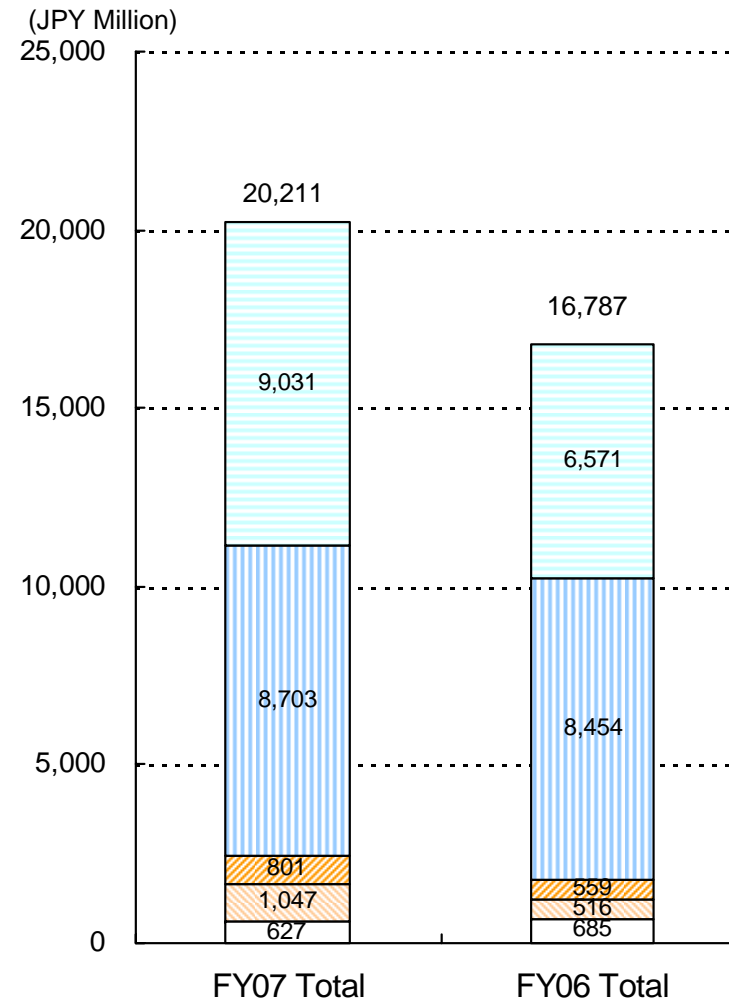
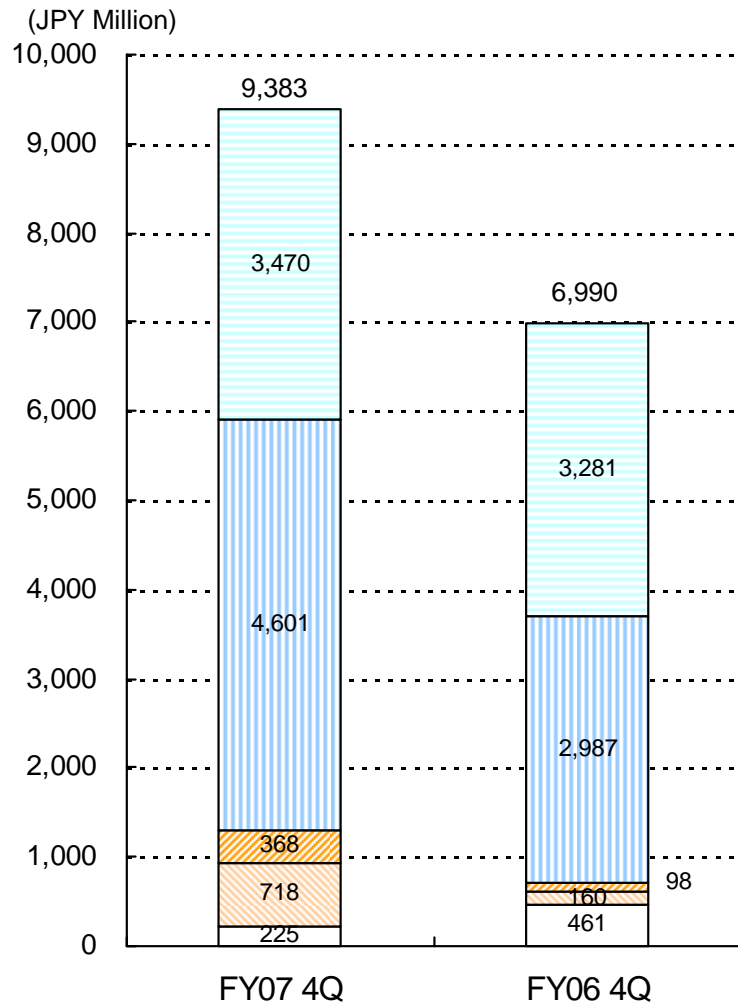
- Wireless/Royalty
  - Wired/Royalty
  - SDK, NRE and others/Royalty & Products (O)
- Wireless/Products
  - Wired/Products



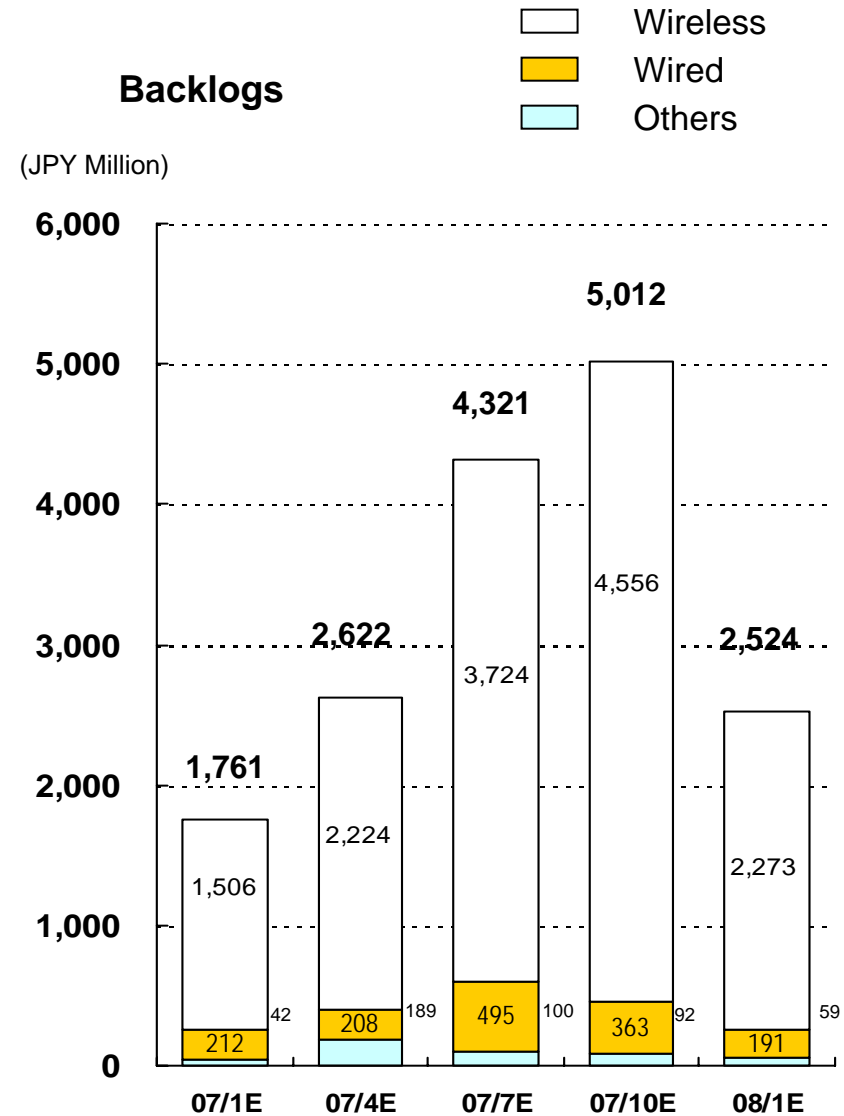
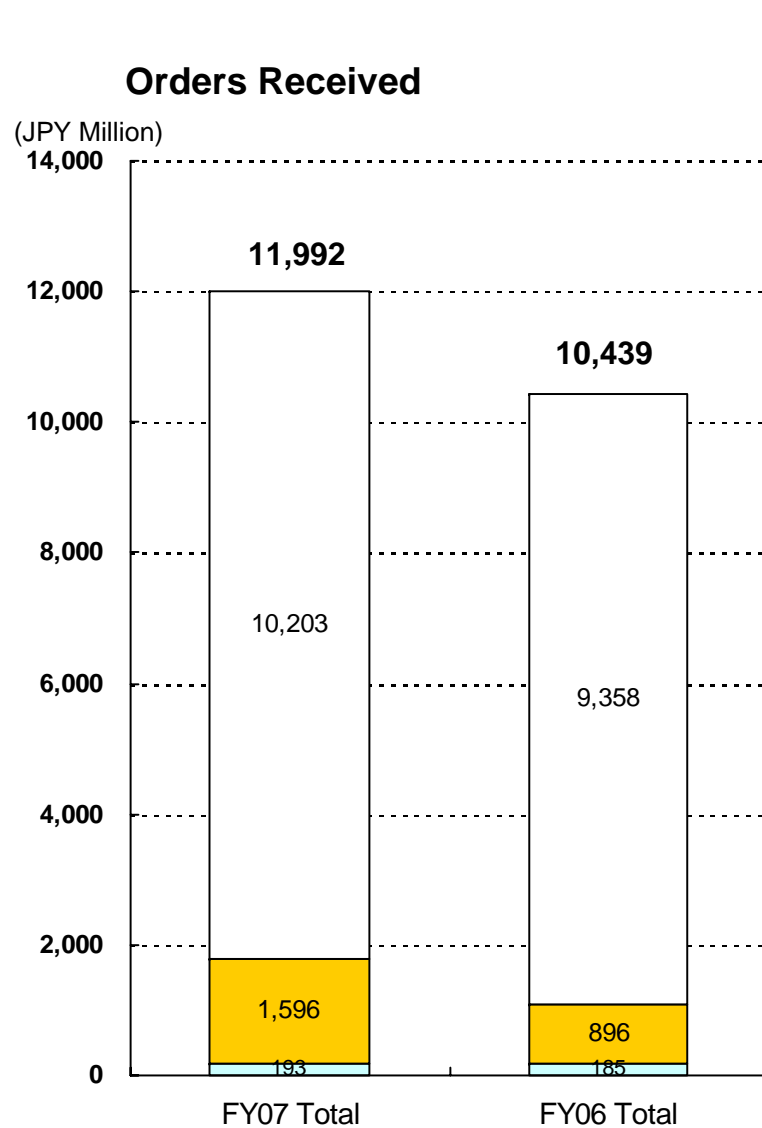
# Breakdown of Sales (Non-Consolidated)



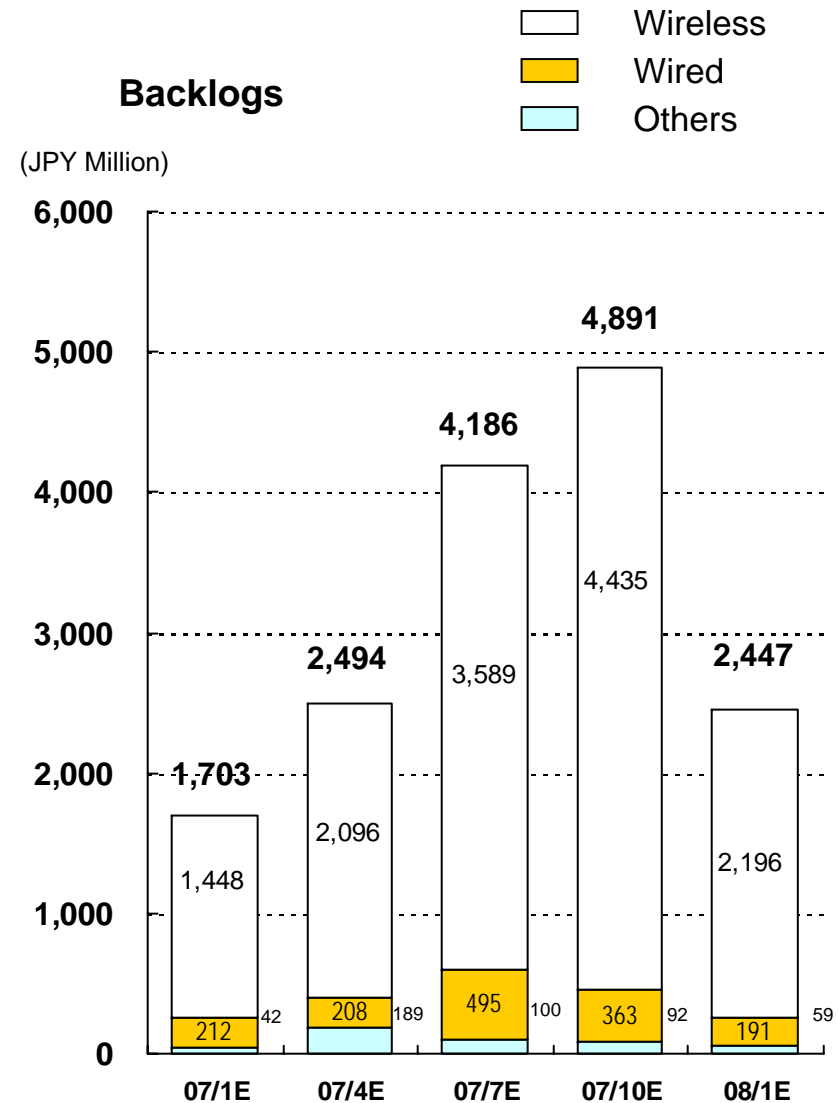
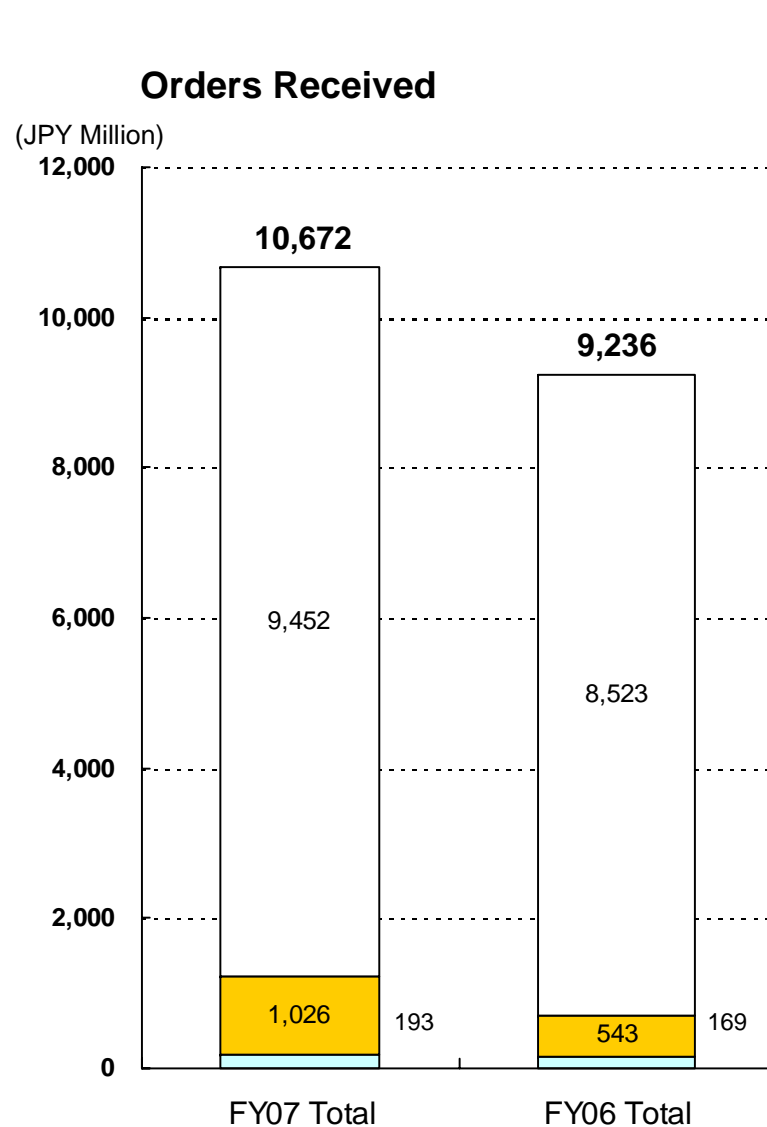
- Wireless/Royalty
- Wireless/Products
- Wired/Royalty
- Wired/Products
- SDK, NRE and others/Royalty & Products (O)



# Orders for NRE Products (Consolidated)



# Orders for NRE Products (Non-Consolidated)



# Head Count Trend (Consolidated)



(Unit: person)

Region \ Year	2006/10	2007/01	2007/04	2007/07	2007/10	2008/01
Japan	525	536	591	598	591	586
Asia (excluding Japan)	576	606	622	696	725	714
North America	279	275	198	190	182	188
Europe	117	123	134	137	135	137
Total	1,497	1,540	1,545	1,621	1,633	1,625