



**FY2008 1<sup>st</sup> Half  
Financial Results**

**ACCESS CO., LTD.  
September 11th, 2008**

## Disclaimer

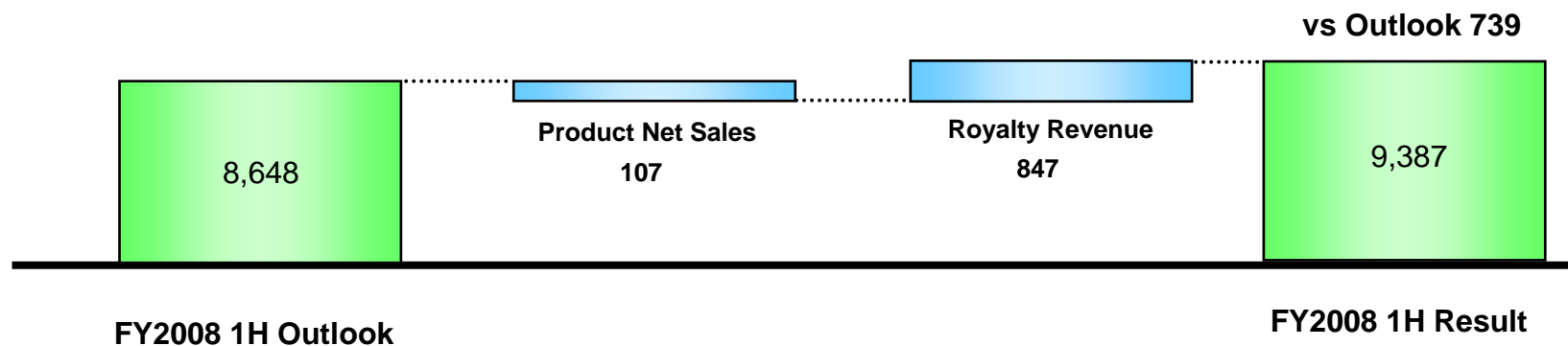
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- **Consequently, actual results may differ from these targets and forecasts. Investors are therefore cautioned not to make investment decisions based solely on these forward-looking statements**

# Summary of Consolidated Financial Results (Outlook vs. Result)

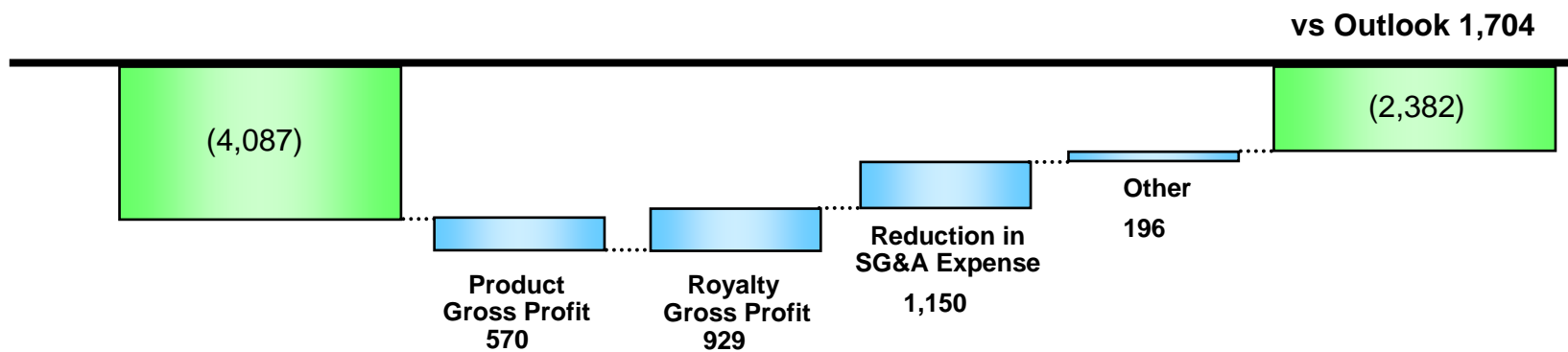


## Net Sales

(Unit: JPY Million)



## Ordinary Profit

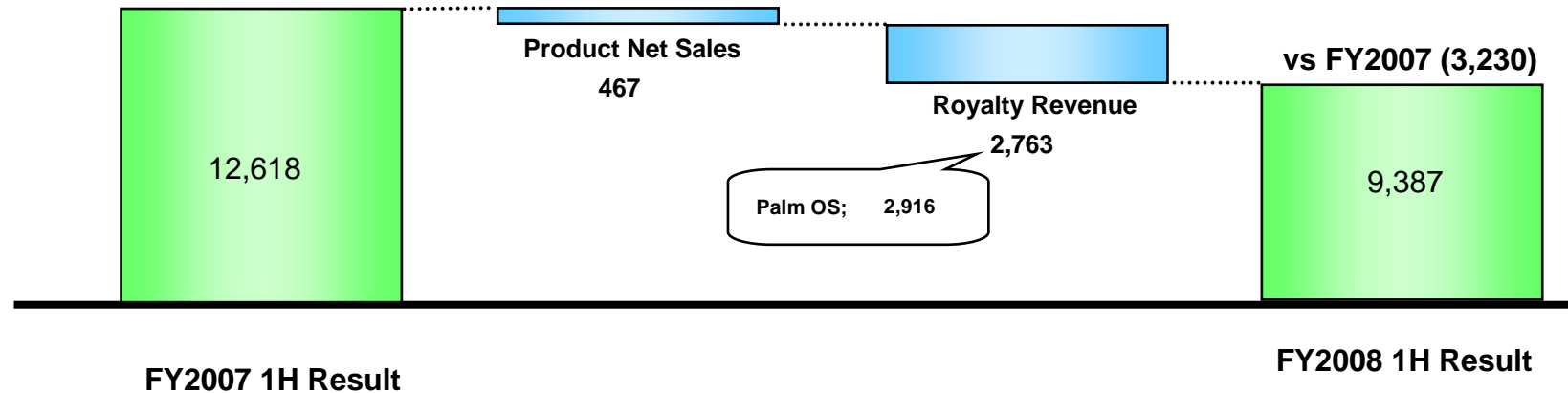


# Summary of Consolidated Financial Results (FY2008 vs. FY2007)



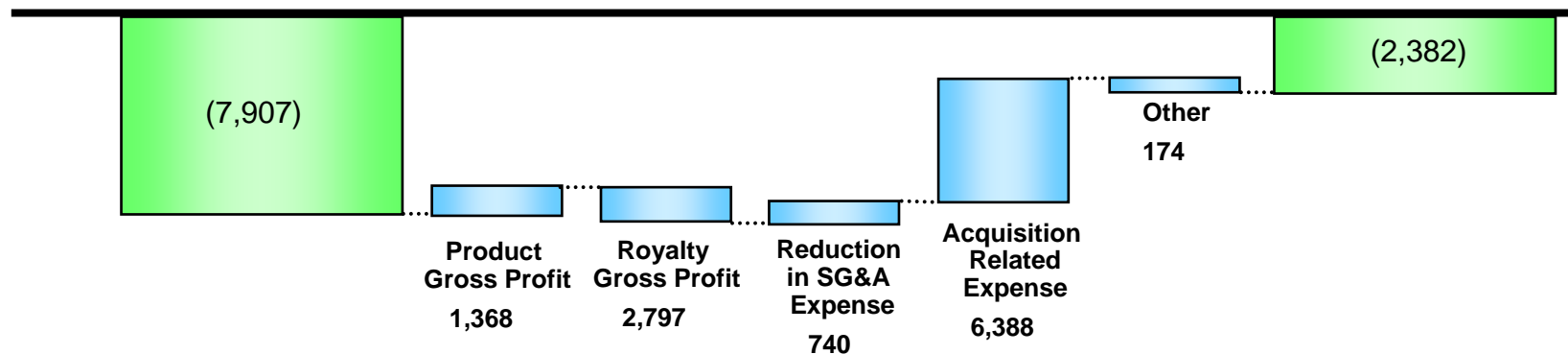
## Net Sales

(Unit: JPY Million)



## Ordinary Profit

vs FY2007 5,525

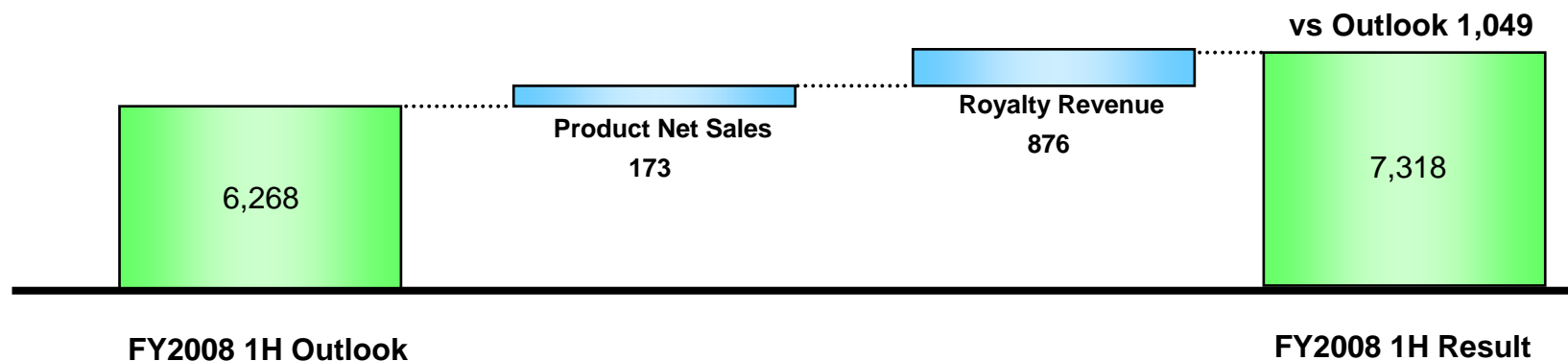


# Summary of Non-Consolidated Financial Results (Outlook vs. Result)

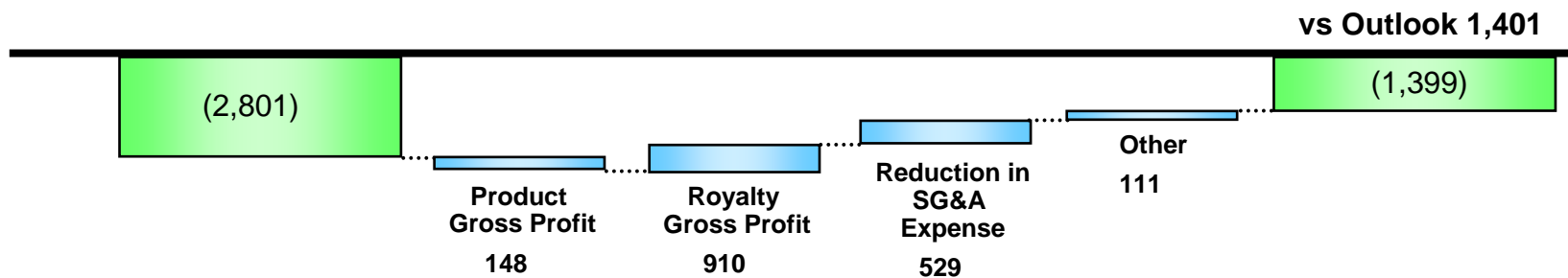


## Net Sales

(Unit: JPY Million)



## Ordinary Profit

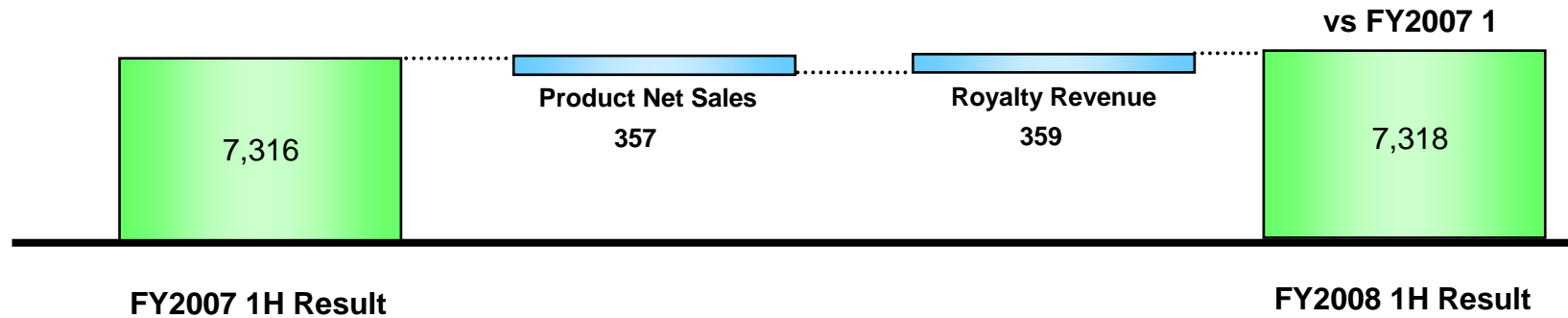


# Summary of Non-Consolidated Financial Results (FY2008 vs. FY2007)

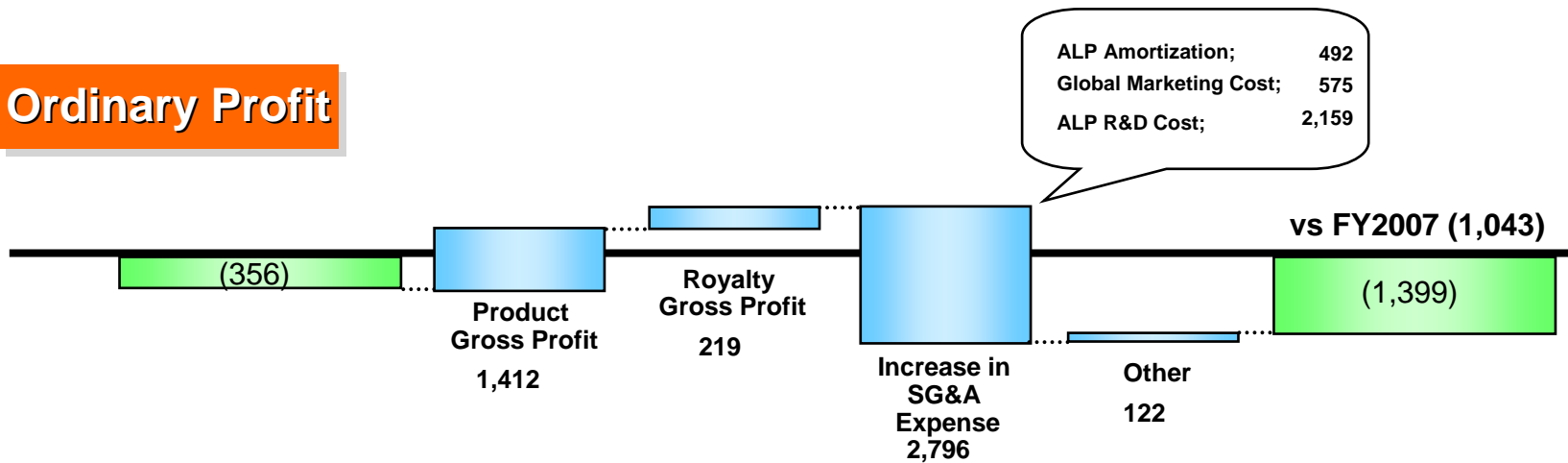


## Net Sales

(Unit: JPY Million)



## Ordinary Profit



# FY2008 Consolidated Financial Highlights

## 1<sup>st</sup> Half (Outlook vs. Result)



(Unit: JPY Million, %)

<b>Consolidated</b>	<b>vs Outlook</b>		
	<b>Outlook</b>	<b>6 months Results</b>	<b>Change</b>
<b>Net Sales</b>	8,648	9,387	739
Products	4,639	4,531	(107)
Royalty	4,009	4,856	847
<b>Gross Profit</b>	5,274	5,633	359
<b>(Gross Profit Ratio)</b>	61.0%	60.0%	-1.0%
Products	1,714	1,144	(570)
(Gross Profit Ratio)	37.0%	25.3%	-11.7%
Royalty	3,559	4,489	929
(Gross Profit Ratio)	88.8%	92.4%	3.7%
<b>SG&amp;A Expense (Ordinary)</b>	8,717	7,566	(1,150)
R&D	3,160	3,227	66
Other	5,556	4,339	(1,217)
<b>Operating Profit (non-GAAP)</b>	(3,442)	(1,932)	1,510
<b>SG&amp;A Expense (Acquisition Related)</b>	751	750	(1)
<b>Operating Profit (GAAP)</b>	(4,194)	(2,682)	1,511
<b>Ordinary Profit</b>	(4,087)	(2,382)	1,704
Extraordinary Expense	-	(64)	(64)
<b>Net Profit</b>	(2,634)	(1,862)	771

# FY2008 Consolidated Financial Highlights

## 2<sup>nd</sup> Quarter/1<sup>st</sup> Half (FY2008 vs. FY2007)



(Unit: JPY Million, %)

<b>Consolidated</b>	<b>FY2008 2Q</b>	<b>FY2007 2Q</b>	<b>Change</b>	<b>FY2008 1H</b>	<b>FY2007 1H</b>	<b>Change</b>	<b>FY2007 Total</b>	<b>vs FY2007 Total</b>
<b>Net Sales</b>	5,045	6,975	(1,930)	9,387	12,618	(3,230)	30,279	31.0%
Products	2,790	2,966	(176)	4,531	4,998	(467)	13,411	33.8%
Royalty	2,254	4,009	(1,754)	4,856	7,619	(2,763)	16,868	28.8%
<b>Gross Profit</b>	2,768	3,712	(943)	5,633	7,062	(1,428)	17,678	31.9%
<b>(Gross Profit Ratio)</b>	54.9%	53.2%	1.7%	60.0%	56.0%	4.0%	58.4%	
Products	668	(134)	802	1,144	(224)	1,368	1,799	63.6%
(Gross Profit Ratio)	23.9%	-4.5%	28.4%	25.3%	-4.5%	29.7%	13.4%	
Royalty	2,100	3,847	(1,746)	4,489	7,286	(2,797)	15,879	28.3%
(Gross Profit Ratio)	93.2%	96.0%	-2.8%	92.4%	95.6%	-3.2%	94.1%	
<b>SG&amp;A Expense (Ordinary)</b>	3,913	4,017	(104)	7,566	8,306	(740)	15,110	50.1%
R&D	1,725	1,708	16	3,227	3,823	(596)	6,977	46.2%
Other	2,187	2,308	(121)	4,339	4,483	(144)	8,132	53.4%
<b>Operating Profit (non-GAAP)</b>	(1,144)	(304)	(839)	(1,932)	(1,244)	(688)	2,567	
<b>SG&amp;A Expense (Acquisition Related)</b>	379	3,560	(3,180)	750	7,138	(6,388)	13,824	5.4%
<b>Operating Profit (GAAP)</b>	(1,523)	(3,864)	2,340	(2,682)	(8,382)	5,699	(11,256)	23.8%
<b>Ordinary Profit</b>	(1,147)	(3,623)	2,476	(2,382)	(7,907)	5,525	(11,117)	21.4%
Extraordinary Expense	(2)	(151)	148	(64)	(1,538)	1,474	(4,450)	1.5%
<b>Net Profit</b>	(955)	(3,555)	2,600	(1,862)	(8,741)	6,878	(15,758)	11.8%

# FY2008 Non-Consolidated Financial Highlights

## 1<sup>st</sup> Half (Outlook vs. Result)



(Unit: JPY Million, %)

<b><u>Non-Consolidated</u></b>	<b>vs Outlook</b>		
	<b>Outlook</b>	<b>6 months Results</b>	<b>Change</b>
<b>Net Sales</b>	6,268	7,318	1,049
Products	2,816	2,989	173
Royalty	3,452	4,328	876
<b>Gross Profit</b>	3,973	4,735	762
<b>(Gross Profit Ratio)</b>	63.4%	64.7%	1.3%
Products	1,097	948	(148)
(Gross Profit Ratio)	39.0%	31.7%	-7.2%
Royalty	2,875	3,786	910
(Gross Profit Ratio)	83.3%	87.5%	4.2%
<b>SG&amp;A Expense</b>	6,774	6,244	(529)
R&D	3,099	3,318	219
Other	3,674	2,925	(749)
<b>Operating Profit</b>	(2,801)	(1,509)	1,292
<b>Ordinary Profit</b>	(2,801)	(1,399)	1,401
Extraordinary Expense	-	(266)	(266)
<b>Net Profit</b>	(1,661)	(1,270)	390

# FY2008 Non-Consolidated Financial Highlights

## 2<sup>nd</sup> Quarter/1<sup>st</sup> Half (FY2008 vs. FY2007)



(Unit: JPY Million, %)

<b>Non-Consolidated</b>	<b>FY2008 2Q</b>	<b>FY2007 2Q</b>	<b>Change</b>	<b>FY2008 1H</b>	<b>FY2007 1H</b>	<b>Change</b>	<b>FY2007 Total</b>	<b>vs FY2007 Total</b>
<b>Net Sales</b>	4,053	4,107	(53)	7,318	7,316	1	20,211	36.2%
Products	2,011	2,114	(103)	2,989	3,346	(357)	10,124	29.5%
Royalty	2,041	1,992	49	4,328	3,969	359	10,087	42.9%
<b>Gross Profit</b>	2,409	1,533	876	4,735	3,103	1,631	9,998	47.4%
<b>(Gross Profit Ratio)</b>	59.4%	37.3%	22.1%	64.7%	42.4%	22.3%	49.5%	
Products	644	(253)	898	948	(463)	1,412	1,163	81.5%
(Gross Profit Ratio)	32.0%	-12.0%	44.0%	31.7%	-13.8%	45.6%	11.4%	
Royalty	1,764	1,787	(22)	3,786	3,567	219	8,834	42.9%
(Gross Profit Ratio)	86.4%	89.7%	-3.3%	87.5%	89.9%	-2.4%	87.5%	
<b>SG&amp;A Expense</b>	3,214	1,637	1,577	6,244	3,447	2,796	7,342	85.0%
R&D	1,757	835	921	3,318	1,800	1,518	3,926	84.5%
Other	1,457	801	655	2,925	1,647	1,278	3,415	85.7%
<b>Operating Profit</b>	(804)	(103)	(701)	(1,509)	(344)	(1,164)	2,656	
<b>Ordinary Profit</b>	(618)	(111)	(506)	(1,399)	(356)	(1,043)	2,113	
Extraordinary Expense	(133)	(66)	(67)	(266)	(980)	713	(27,126)	1.0%
<b>Net Profit</b>	(691)	(172)	(519)	(1,270)	(902)	(368)	(25,533)	5.0%

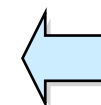
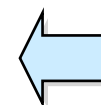
# Cost Analysis of Products (Non-Consolidated)



## Quarterly Product Sales and Gross Profit

[Unit: JPY Million, %]

		FY2007 Q1	FY2007 Q2	FY2007 Q3	FY2007 Q4	FY2008 Q1	FY2008 Q2
Non-Consolidated PL	Product Net Sales	1,232	2,114	1,344	5,433	977	2,011
	Product Cost	1,441	2,368	840	4,310	673	1,366
	Product Gross Profit	(209)	(253)	503	1,123	304	644
	Product Gross Profit Ratio	-17.0%	-12.0%	37.5%	20.7%	31.1%	32.0%
Extraordinary Cost	1 S Project Cost	166	78	33	173	-	-
	2 S Project Loss	439	142	-	-	-	-
	3 Increase in Provision for Loss on Orders	-	297	-	817	57	79
	4 Reversal of Provision for Loss on Orders (net of cost of sales)	-	-	(123)	(40)	(79)	(125)
	5 Reversal of Provision for Loss on Orders (net of work in progress)	-	-	(94)	(39)	(430)	(263)
	6 Work in Process Loss	101	204	137	263	444	405
	Total of 1 to 6	707	723	(47)	1,174	(7)	96
Normal Projects	Product Net Sales	832	1,553	791	4,106	868	2,006
	Product Cost	608	1,073	502	1,990	463	1,126
	Product Gross Profit <b>a.</b>	223	480	289	2,116	405	880
	Product Gross Profit Ratio	26.9%	30.9%	36.6%	51.5%	46.6%	43.9%
Up-front Investment Projects	Product Net Sales	399	560	552	1,326	109	4
	Product Cost	125	570	385	1,145	217	143
	Reversal of Provision for Loss on Orders (net of cost of sales) [4]	-	-	(48)	(40)	(79)	(125)
	Cost of Sales for S Project [1+2]	605	221	33	173	-	-
	Product Gross Profit <b>b.</b>	(331)	(231)	181	48	(28)	(13)
	Product Gross Profit Ratio	-83.1%	-41.3%	32.9%	3.6%	-26.4%	-310.1%
Increase in (Reversal of) Provision for Loss on Orders	Increase in Provision for Loss on Orders [3] <b>c.</b>	-	297	-	817	57	79
	Work in Process Loss [6] <b>d.</b>	101	204	137	263	444	405
	Reversal of Provision for Loss on Orders (net of work in progress) [5] <b>e.</b>	-	-	(169)	(39)	(430)	(263)
	Product Gross Profit <b>(a+b-c-d-e).</b>	(209)	(253)	503	1,123	304	644
	Product Gross Profit Ratio	-17.0%	-12.0%	37.5%	20.7%	31.1%	32.0%



# Predictive Cost Analysis of Products (Non-Consolidated)



(Unit: JPY Million, %)

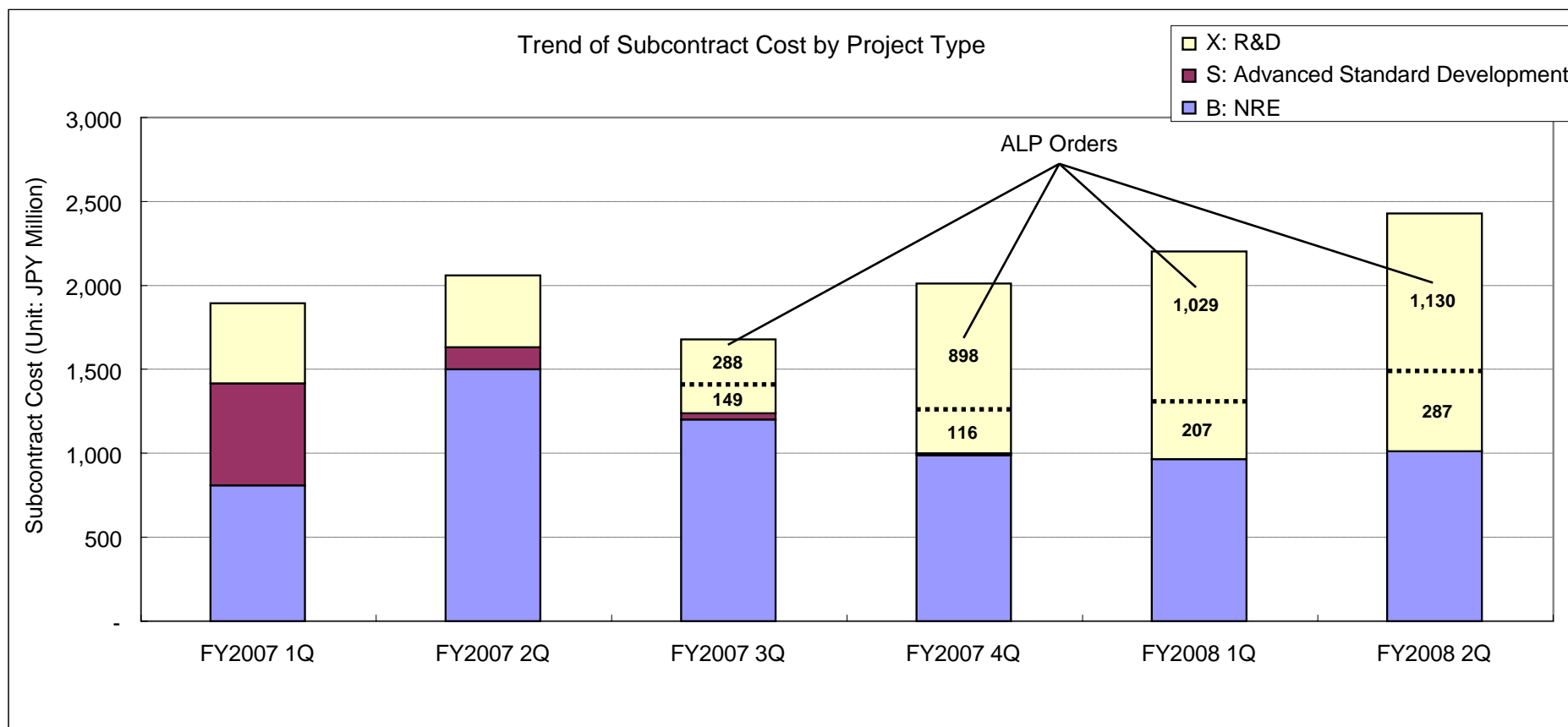
	FY2007 1H	FY2007 2H	FY2007 Total	FY2008 1Q			FY2008 2Q		
				Outlook	Result	Change	Outlook	Result	Change
<b>Product Net Sales</b>	3,346	6,777	10,124	904	977	73	1,911	2,011	99
<b>Product Cost</b>									
Cost of Labor	1,264	1,395	2,660	738	669	(68)	865	713	(152)
Manufacturing Cost	814	1,055	1,869	445	(60)	(505)	395	201	(194)
Subcontract Cost	3,949	3,689	7,639	2,421	2,204	(216)	2,347	2,426	78
Sub Total	6,028	6,140	12,169	3,604	2,813	(790)	3,609	3,340	(268)
Beginning WIP Balance	516	1,189	516	248	248	-	1,588	875	(712)
Ending WIP Balance	(1,189)	(248)	(248)	(1,588)	(875)	712	(2,507)	(1,133)	1,374
Reclassification to R&D	(1,545)	(1,931)	(3,477)	(1,712)	(1,512)	200	(1,523)	(1,716)	(192)
Sub Total	3,810	5,150	8,960	551	673	121	1,167	1,366	199
<b>Product Gross Profit</b>	(463)	1,627	1,163	353	304	(48)	744	644	(99)
<b>Product Gross Profit Ratio</b>	-13.8%	24.0%	11.4%	39.0%	31.1%	-7.9%	38.9%	32.0%	-6.9%

# Quarterly Trend of Subcontract Cost (Non-Consolidated) - Project Type -



(JPY Million)

Type	FY2007 1Q		FY2007 2Q		FY2007 3Q		FY2007 4Q		FY2008 1Q		FY2008 2Q	
X	478	25.3%	427	20.8%	437	26.1%	1,014	50.4%	1,236	56.1%	1,417	58.4%
S	599	31.7%	133	6.5%	38	2.3%	16	0.8%	-	-	-	-
B	815	43.1%	1,496	72.7%	1,199	71.6%	983	48.8%	968	43.9%	1,008	41.6%
Total	1,893	100.0%	2,056	100.0%	1,674	100.0%	2,014	100.0%	2,204	100.0%	2,426	100.0%

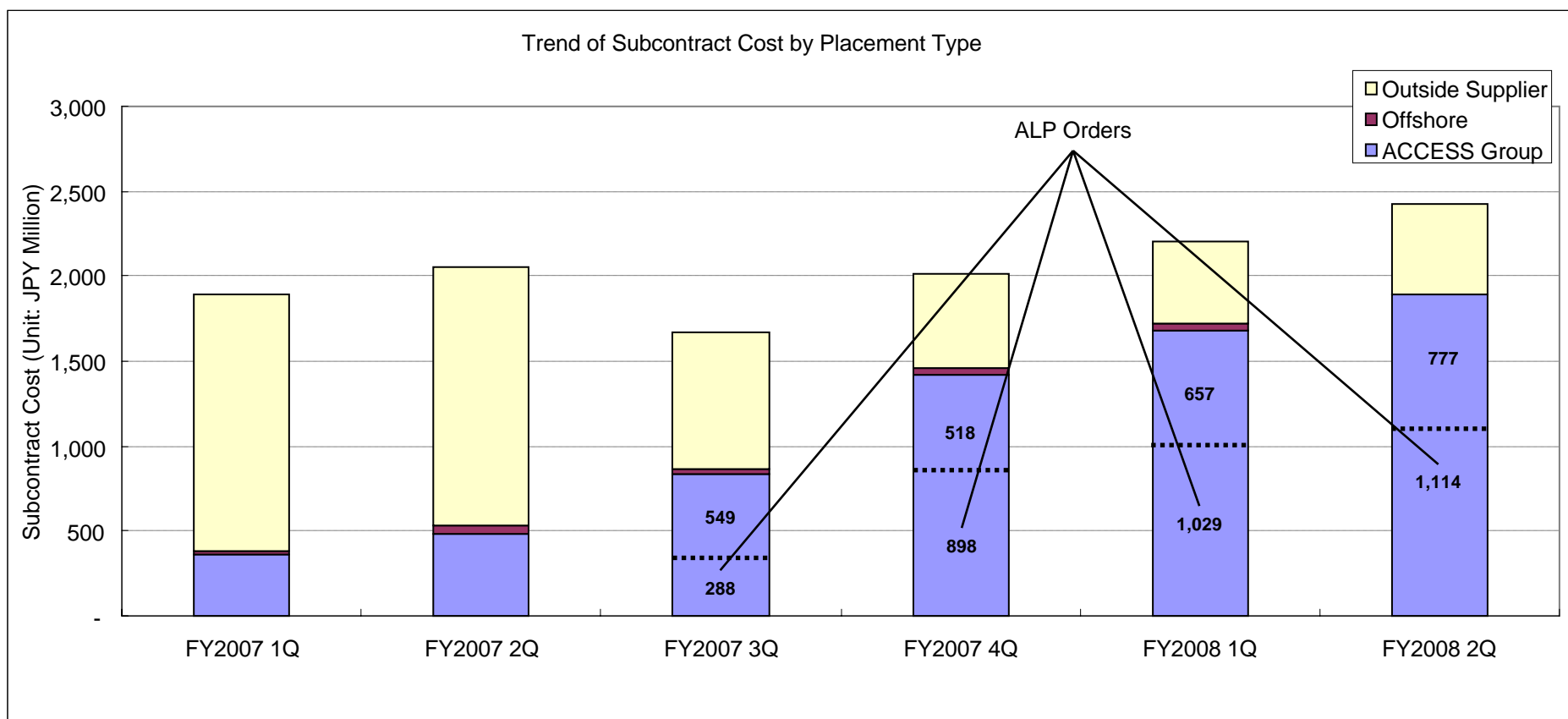


# Quarterly Trend of Subcontract Cost (Non-Consolidated) - Placement Type -



(JPY Million)

Placement Type	FY2007 1Q		FY2007 2Q		FY2007 3Q		FY2007 4Q		FY2008 1Q		FY2008 2Q	
Outside Supplier	1,504	79.5%	1,527	74.3%	806	48.1%	551	27.4%	485	22.0%	529	21.8%
Offshore	28	1.5%	44	2.2%	31	1.9%	46	2.3%	32	1.5%	4	0.2%
ACCESS Group	359	19.0%	485	23.6%	837	50.0%	1,416	70.3%	1,686	76.5%	1,891	78.0%
Total	1,893	100.0%	2,056	100.0%	1,674	100.0%	2,014	100.0%	2,204	100.0%	2,426	100.0%



# Balance Sheet (Summary)



	(JPY Million)					
	End of FY2008 1H		End of FY2007 1H		End of FY2007	
	<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	16,048	8,640	10,620	7,180	12,888	8,028
Account Receivables	4,886	4,520	4,975	4,096	10,628	9,974
Securities	4,750	69	12,328	75	5,515	72
Inventory	1,189	1,133	1,325	1,189	361	248
Other	2,550	1,730	2,394	2,534	2,351	1,649
. Fixed Assets						
Tangible Fixed Assets	1,522	777	1,395	534	1,329	530
Intangible Fixed Assets [M&A Related Goodwill]	3,466 [2,081]	2,791 -	13,821 [8,153]	317 -	4,131 [2,651]	3,113 -
Investment & Other Assets	3,906	24,854	5,165	54,094	4,635	23,086
<b>Total</b>	<b>38,320</b>	<b>44,518</b>	<b>52,027</b>	<b>70,023</b>	<b>41,842</b>	<b>46,703</b>
. Current Liabilities	5,480	2,752	7,859	2,461	6,121	3,811
. Fixed Liabilities	395	439	389	215	432	168
. Total Equity	32,445	41,326	43,778	67,346	35,289	42,723
<b>Total</b>	<b>38,320</b>	<b>44,518</b>	<b>52,027</b>	<b>70,023</b>	<b>41,842</b>	<b>46,703</b>

# Consolidated Cash Flow (Summary)



(JPY Million)	FY2008 1H	FY2007 1H	FY2007 Total
I. Cash Flow from Operating Activities	2,349	1,074	(1,777)
II. Cash Flow from Investing Activities	1,497	(1,996)	(1,473)
III. Cash Flow from Financing Activities	290	12	484
IV. Increase in Cash and Cash Equivalents	3,960	(583)	(3,520)
V. Balance of Cash and Cash Equivalents at the Beginning of the Term	13,242	16,763	16,763
VI. Balance of Cash and Cash Equivalents at the End of the Term	17,192	16,180	13,242

Sales of Marketable/Investment Securities: JPY1,709M  
Revenue by Transferring IP: JPY347M

Net Income Before Tax: -JPY2,447  
Decrease in Account Receivables: JPY5,683  
Depreciation and Amortization of Goodwill: JPY1,083

Purchase of Marketable/Investment Securities: -JPY1,111M  
Revenue by Transferring IP: JPY752M

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

Net Income Before Tax: -JPY9,446M  
Elimination Amortization: JPY7,209M  
Decrease in Account Receivables: JPY4,878M  
Reconciliation: JPY886M

# Appendix

# Results of Major Subsidiaries (FY2008 1H: Feb. - Jul.)



**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	7,318	2,608	550	1,016	425	669	843	(4,043)	-	9,387
Gross Profit	4,735	756	68	232	75	457	88	(781)	-	5,633
SG&A Expense (Ordinary)	6,244	807	480	191	51	454	592	(1,255)	-	7,566
Operating Profit (Non-GAAP)	(1,509)	(50)	(411)	40	23	3	(503)	474	-	(1,932)
SG&A Expense (Acquisition Related)	-	7	-	4	-	167	-	-	570	750
Operating Profit (GAAP)	(1,509)	(58)	(411)	35	23	(163)	(503)	474	(570)	(2,682)
Ordinary Profit	(1,399)	88	(408)	55	30	(165)	(507)	495	(570)	(2,382)
Net Profit	(1,270)	103	(478)	55	18	(166)	(438)	883	(570)	(1,862)

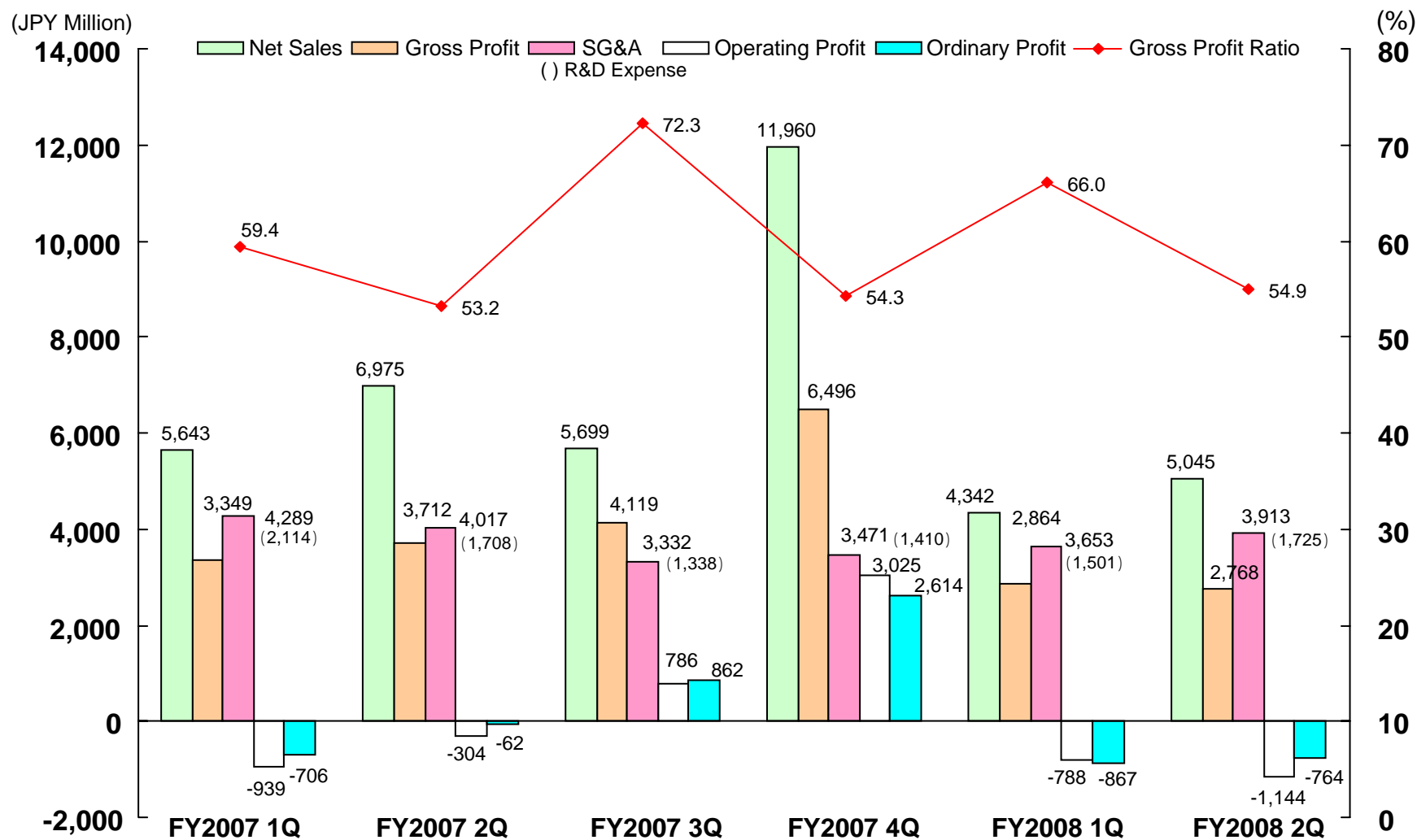
# Results of Major Subsidiaries (FY2008 2Q: May - Jul.)



**ASA: ACCESS Systems Americas**  
**ASE: ACCESS Systems Europe**  
**ASC: ACCESS China**  
**AS: ACCESS Seoul**  
**IPI: IP Infusion**

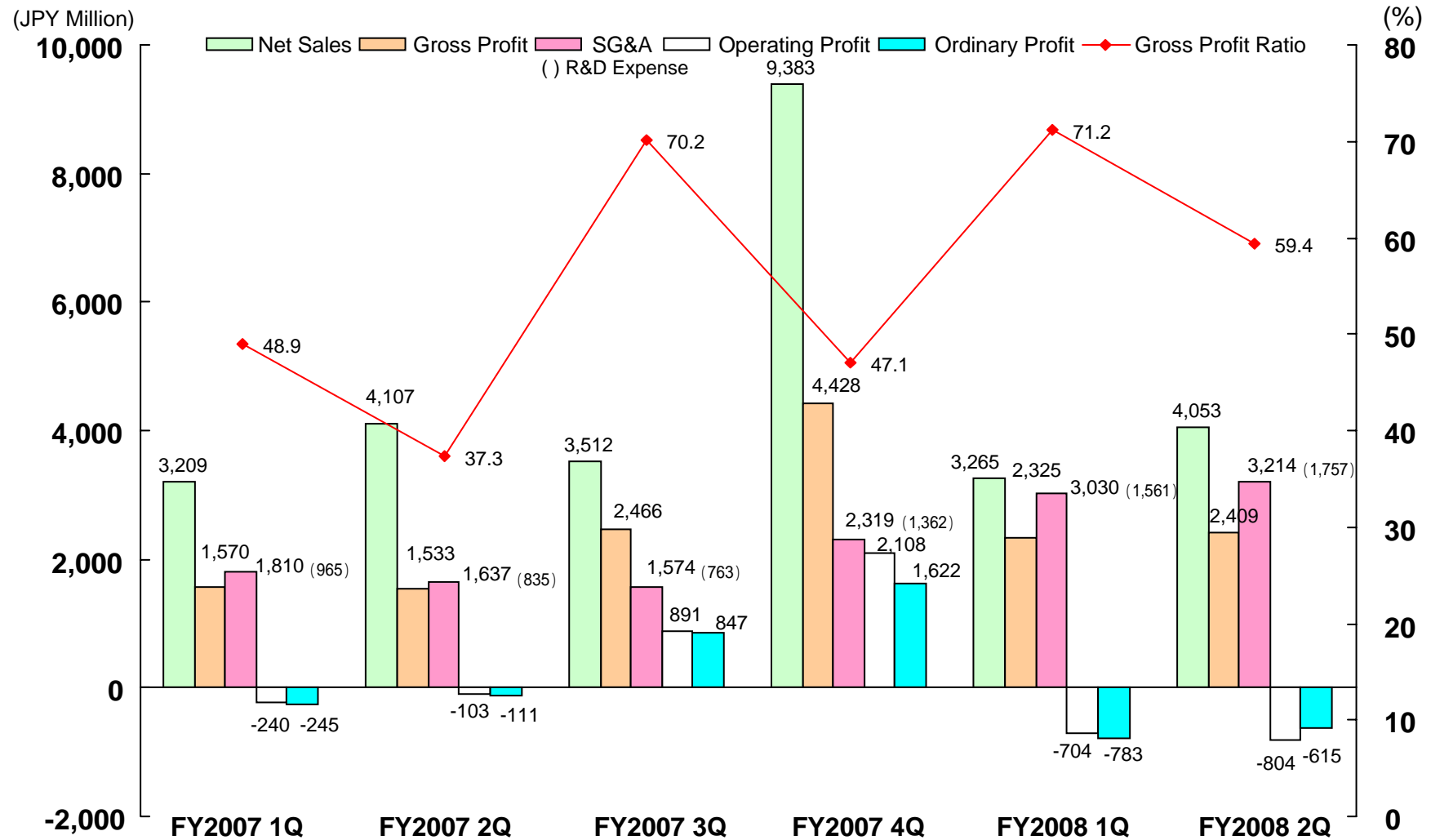
(JPY Million)	ACCESS	ASA	ASE	ASC	AS	IPI	Other Subs	Revision	Goodwill Amortization	Consolidated Total
Net Sales	4,053	1,318	260	644	183	349	458	(2,223)	-	5,045
Gross Profit	2,409	400	15	160	18	251	40	(528)	-	2,768
SG&A Expense (Ordinary)	3,214	387	238	97	28	277	348	(679)	-	3,913
Operating Profit (Non-GAAP)	(804)	12	(222)	62	(10)	(25)	(307)	151	-	(1,144)
SG&A Expense (Acquisition Related)	-	3	-	2	-	88	-	-	285	379
Operating Profit (GAAP)	(804)	9	(222)	60	(10)	(114)	(307)	151	(285)	(1,523)
Ordinary Profit	(615)	68	(222)	81	(6)	(113)	(307)	256	(285)	(1,144)
Net Profit	(691)	84	(230)	81	(8)	(113)	(260)	467	(285)	(955)

# Trend of Quarterly Sales, etc. (Consolidated)

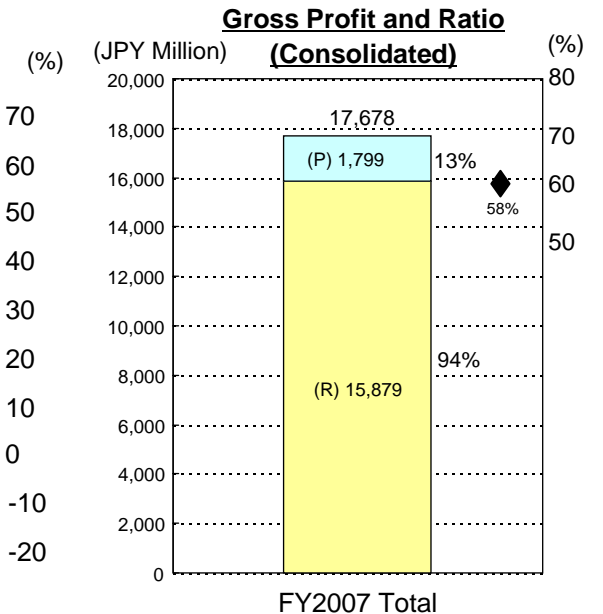
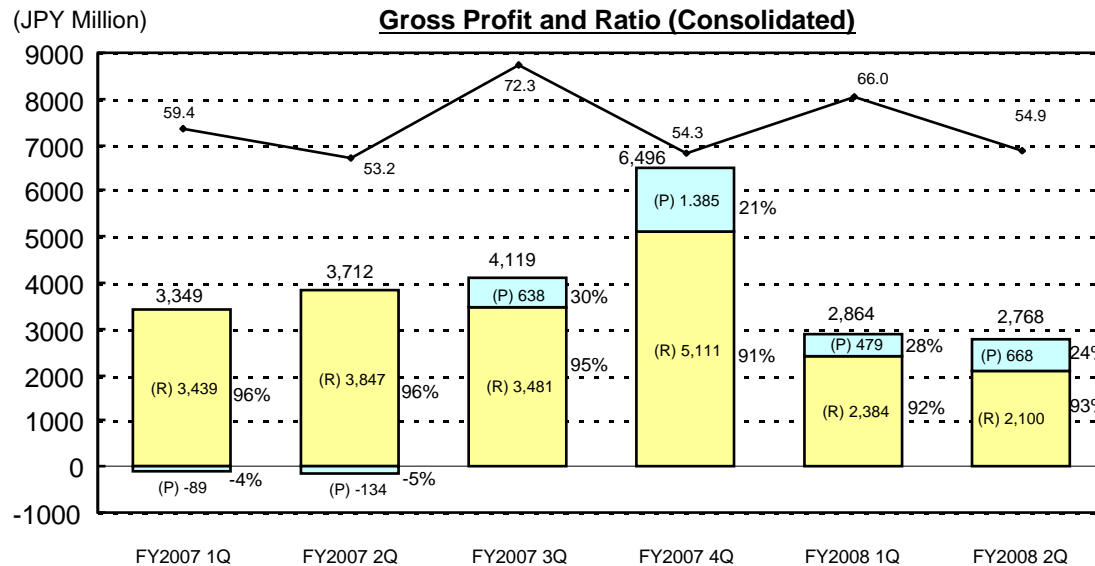
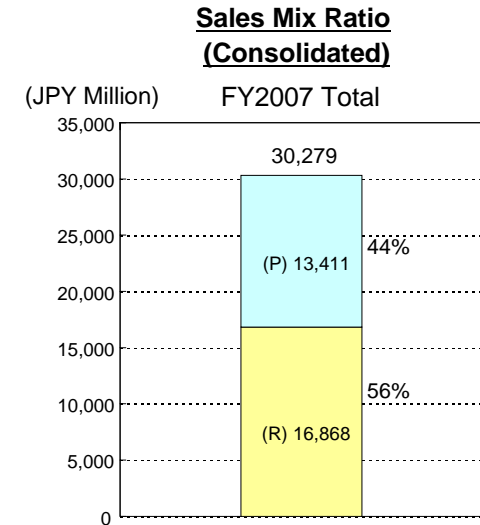
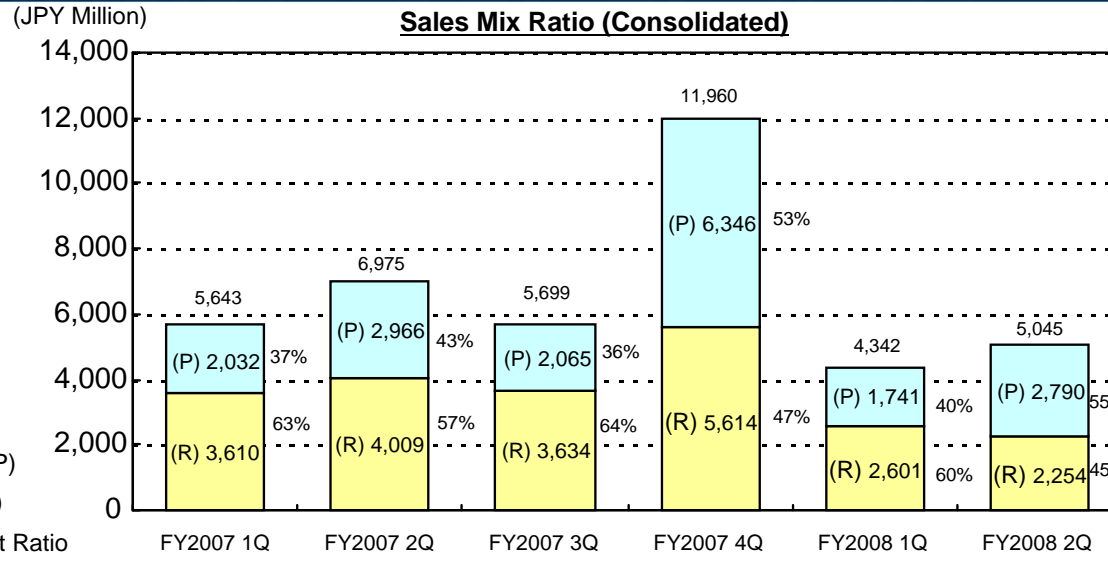


(For purpose of comparison, Acquisition Related expense is excluded.)

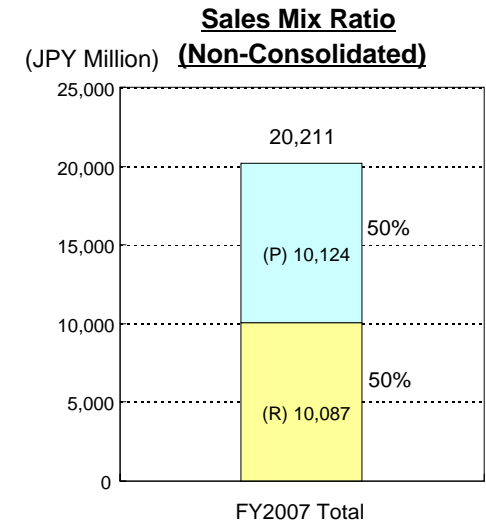
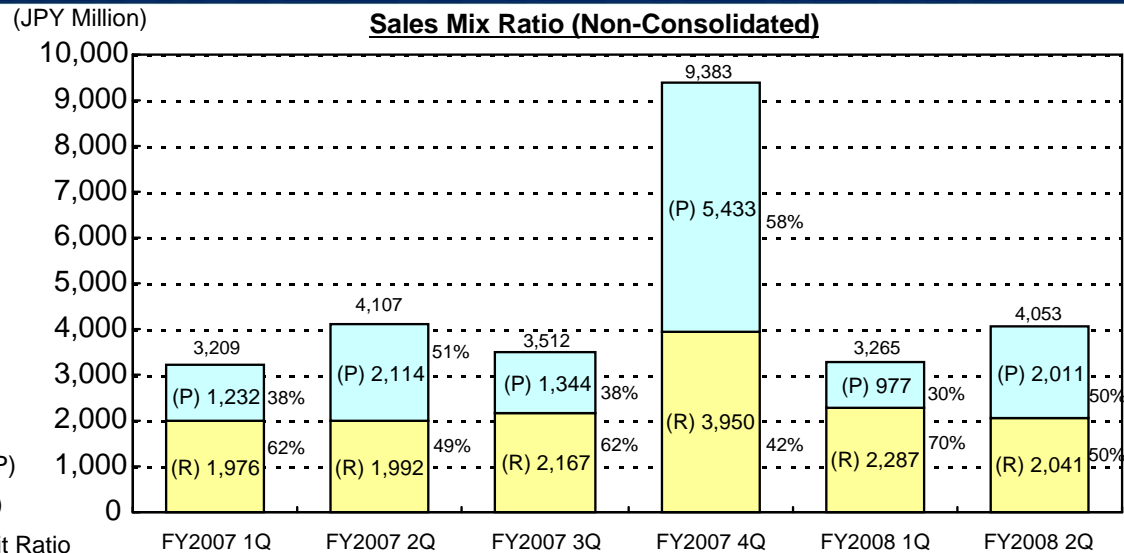
# Trend of Quarterly Sales, etc. (Non-Consolidated)



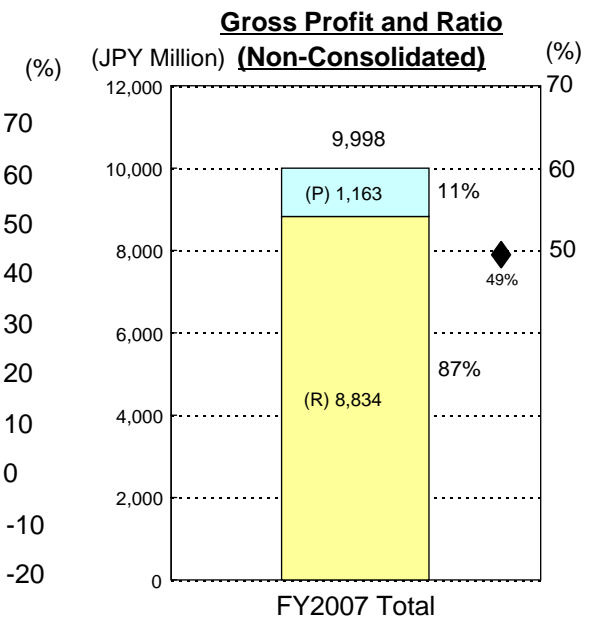
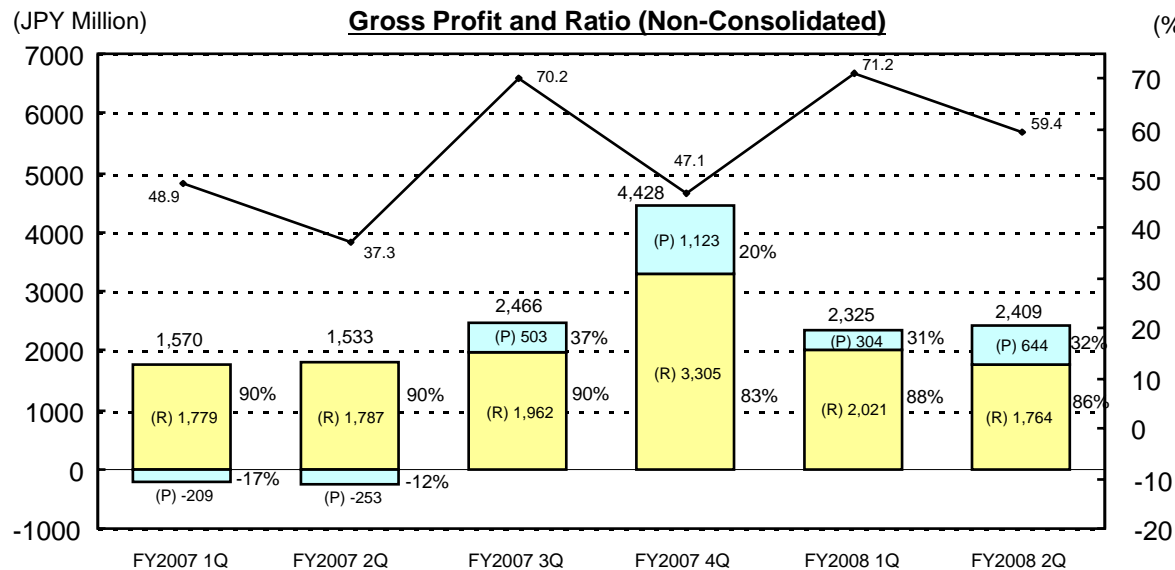
# Trend of Sales & Gross Profit (Consolidated)



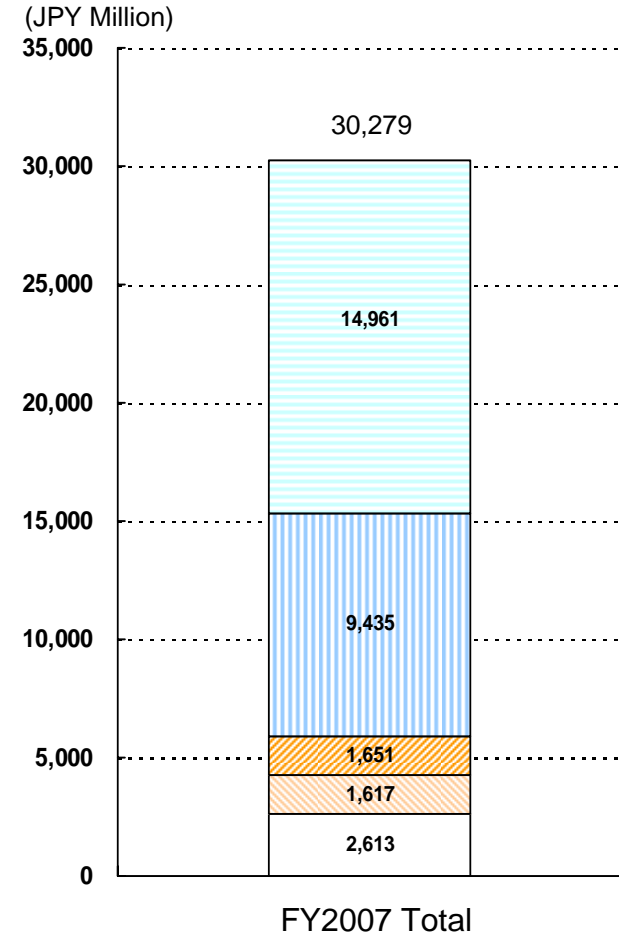
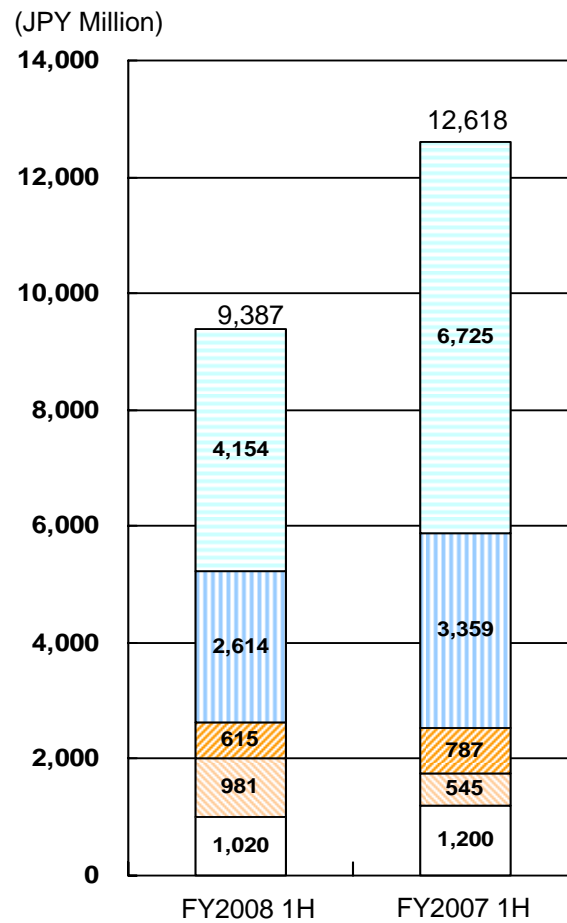
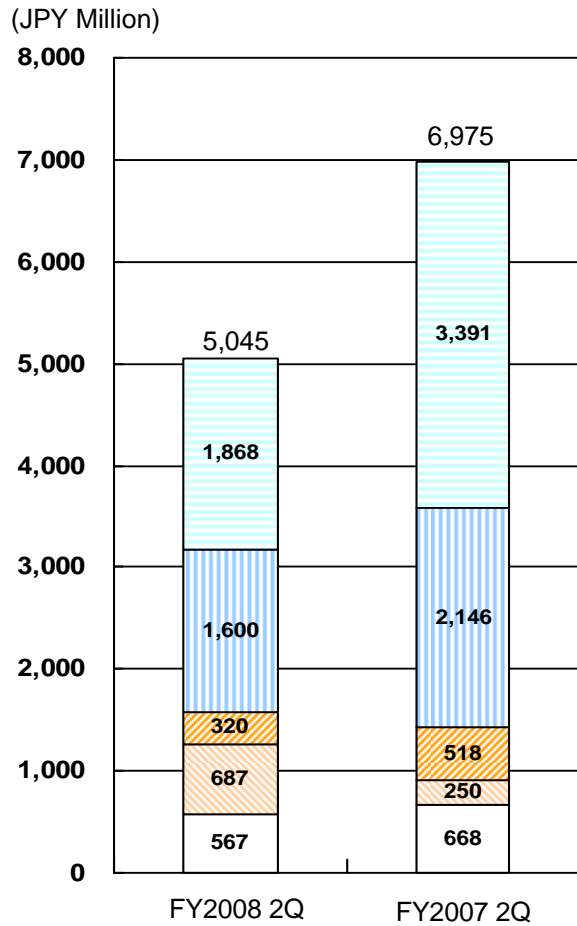
# Trend of Sales & Gross Profit (Non-Consolidated)



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



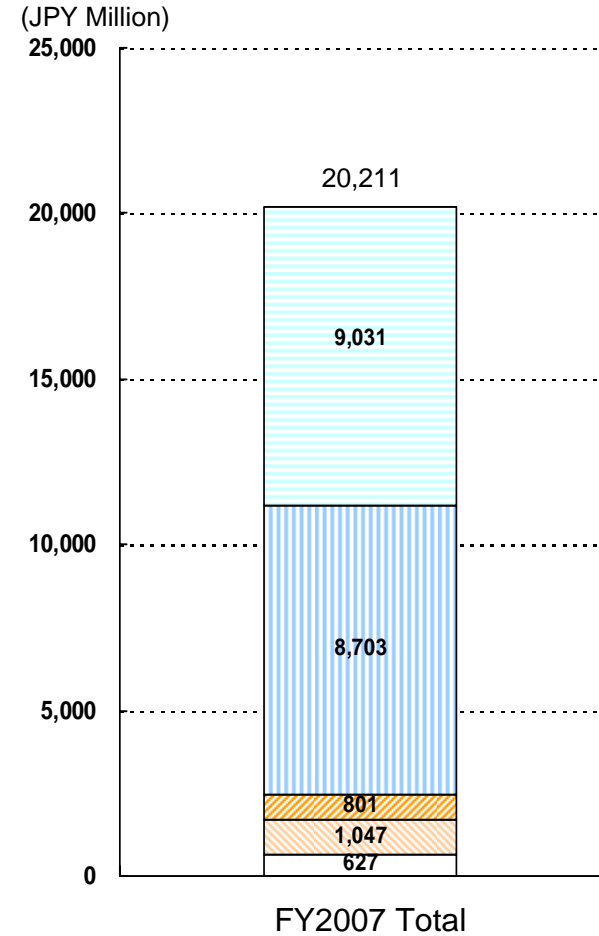
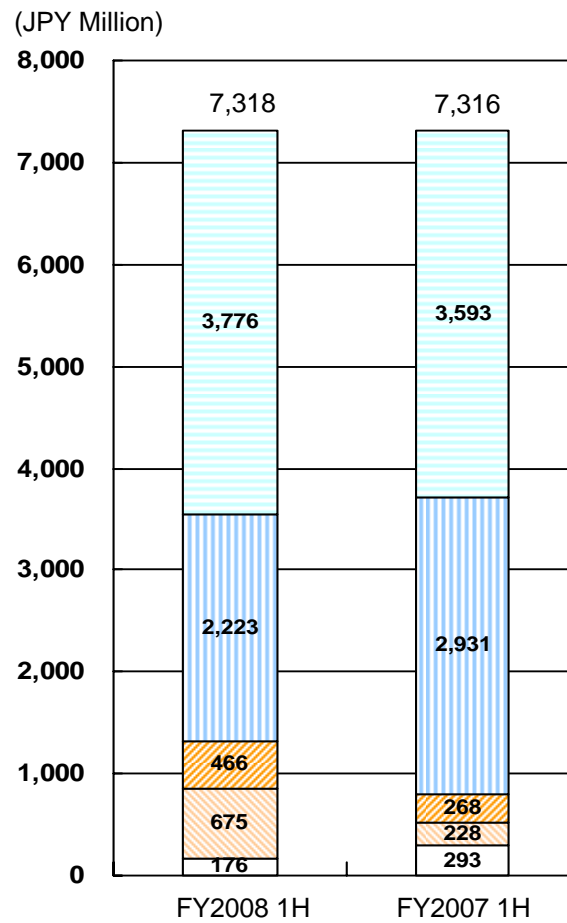
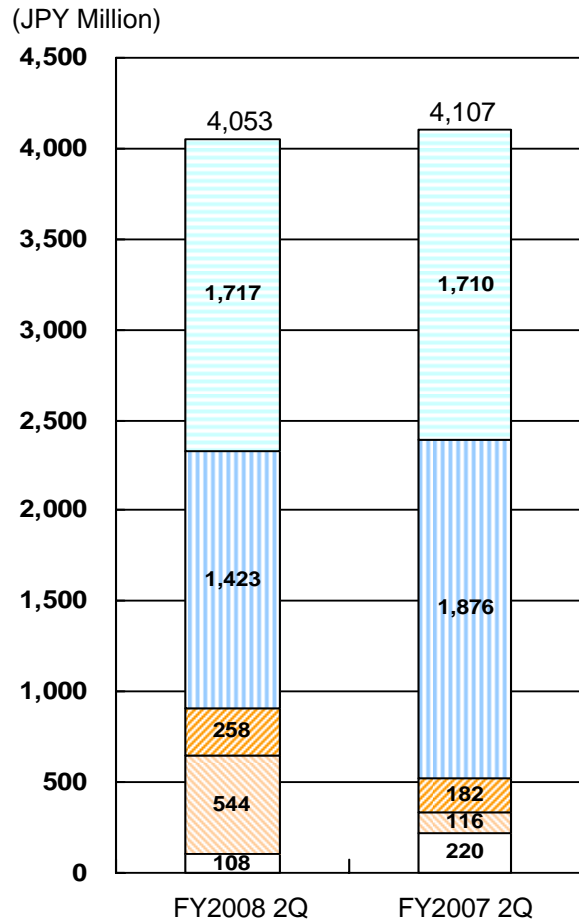
# Breakdown of Sales (Consolidated)



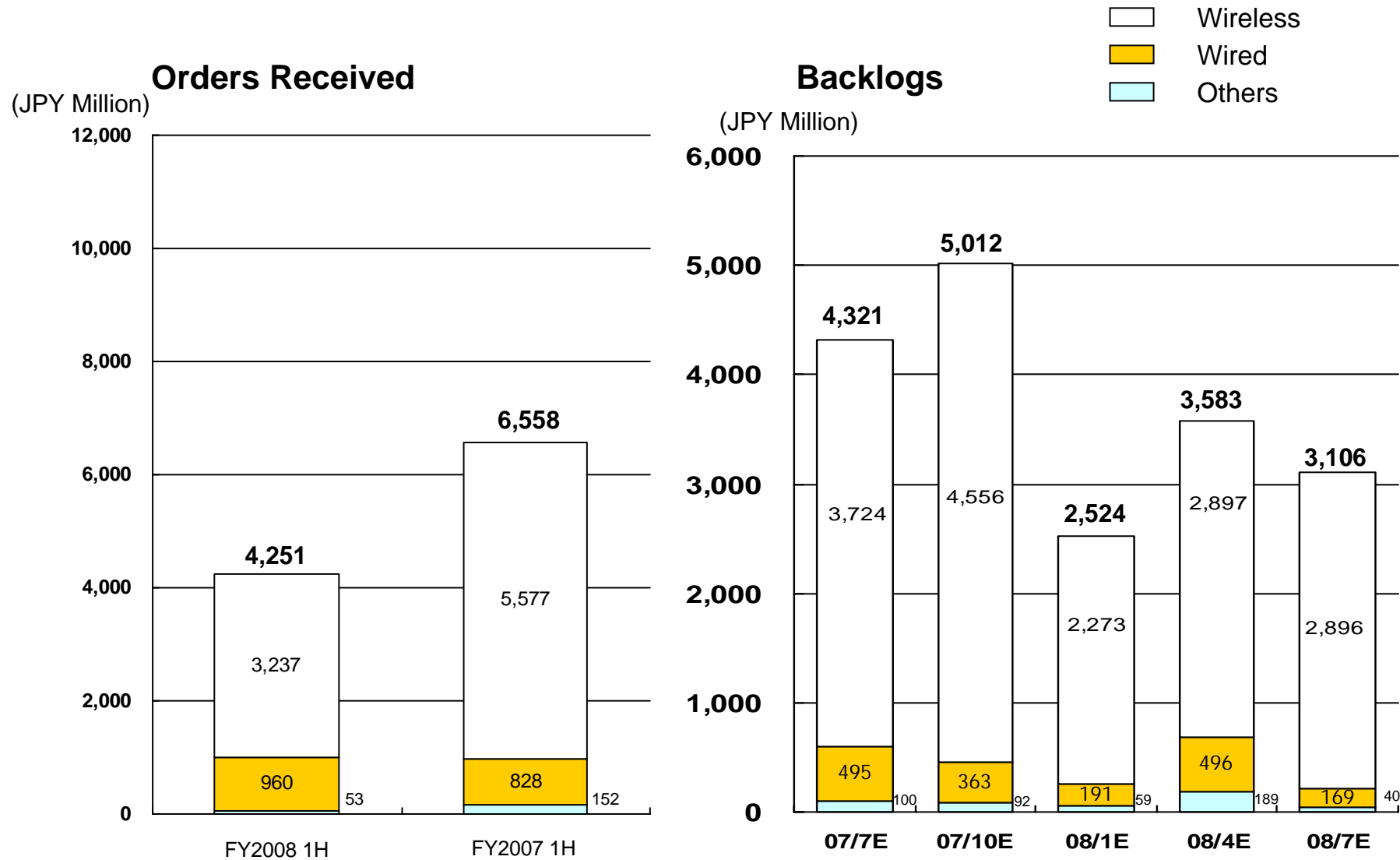
# Breakdown of Sales (Non-Consolidated)



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



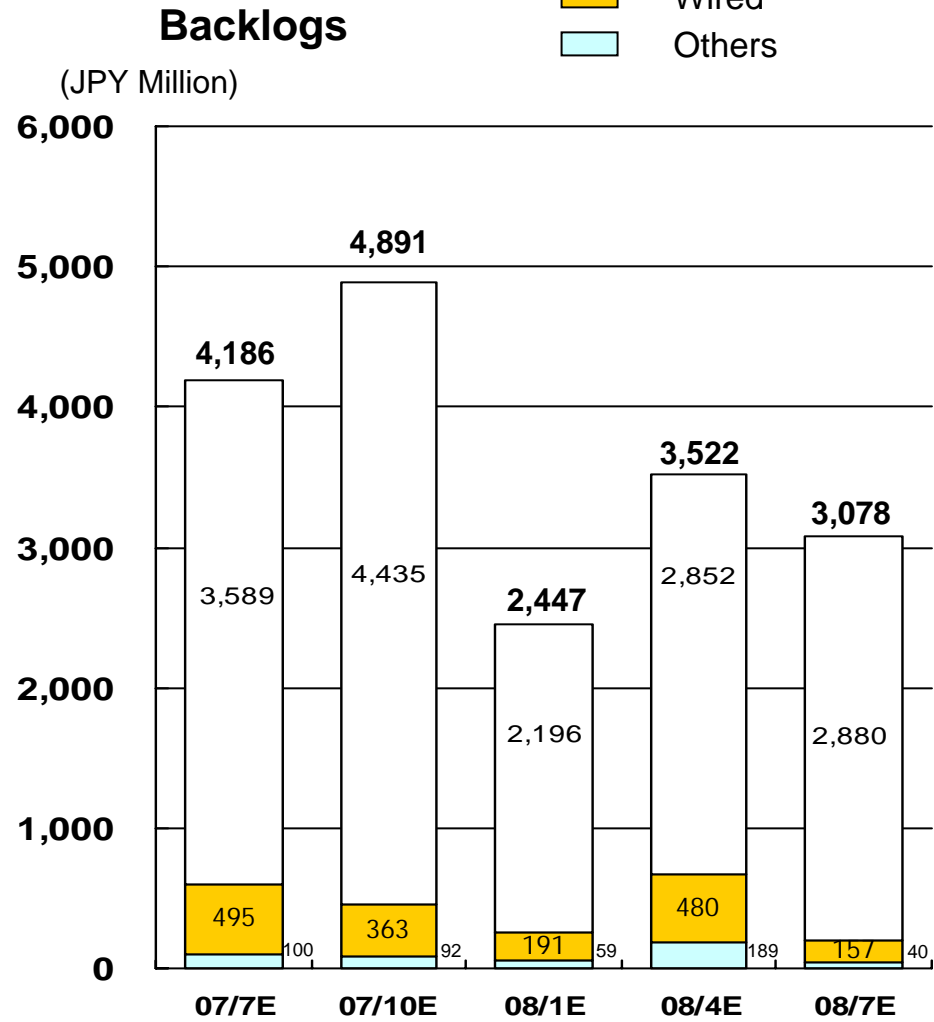
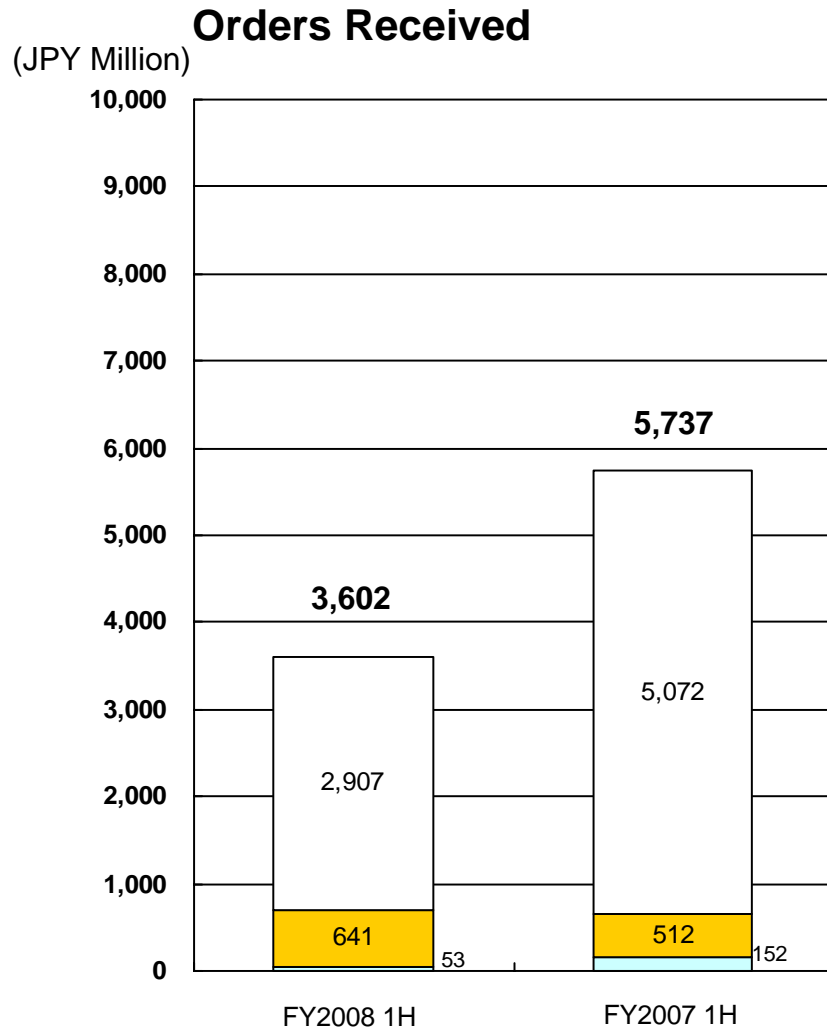
# Orders for NRE Products (Consolidated)



# Orders for NRE Products (Non-Consolidated)



- Wireless
- Wired
- Others



## Head Count Trend (Consolidated)



(Unit: person)

<b>Region \ Year</b>	<b>2007/4</b>	<b>2007/7</b>	<b>2007/10</b>	<b>2008/1</b>	<b>2008/4</b>	<b>2008/7</b>
<b>Japan</b>	<b>591</b>	<b>598</b>	<b>591</b>	<b>586</b>	<b>594</b>	<b>621</b>
<b>Asia (excluding Japan)</b>	<b>622</b>	<b>696</b>	<b>725</b>	<b>714</b>	<b>715</b>	<b>694</b>
<b>North America</b>	<b>198</b>	<b>190</b>	<b>182</b>	<b>188</b>	<b>185</b>	<b>195</b>
<b>Europe</b>	<b>134</b>	<b>137</b>	<b>135</b>	<b>137</b>	<b>132</b>	<b>108</b>
<b>Total</b>	<b>1,545</b>	<b>1,621</b>	<b>1,633</b>	<b>1,625</b>	<b>1,626</b>	<b>1,618</b>