

Overview for 3rd Qtr Financial Results (2004:Feb.2003-Jan.2005)

ACCESS Co., Ltd.
December 2004



Disclaimer

- All the financial numbers for the future business (Revenue, Profit etc.) included in this presentation are estimated by ACCESS based on the available information which we can gather at this moment.
- These numbers of the future business includes various uncertain factors, so actual results could be different. Please avoid making any decisions for investment relying upon these information in this material.



Summary for Year-to-date

- Consolidated Results : Sales 7,419M yen, Ordinary Income 1,087M yen
Results for subsidiaries as a whole resulted in less than originally expected, since profit from subsidiaries was less than forecasted.
Royalty revenues were more than forecasted on a non-consolidation basis.
In addition, sales mix improvement and effective cost control of SG&A expenses resulted in greater number of ordinary income.
- Non-consolidated Results : Sales 5,909M yen, Ordinary Income 1,044M yen
As the result for 3rd quarter;
 - Well growing numbers in Royalty revenue of FOMA resulted in approximately 130M yen more than forecasted in Sales Revenue.
 - Effective cost control resulted in 60M yen decrease in SG & A expenses.
- Royalty ratio of sales in Non-consolidation was 45% (2004 YTD), which was successfully recovered and improved. (2003 YTD : 36%)

Highlight of 3rd Qtr

Consolidation

| (M yen) | Actual (2004) | Forecast (2004) | Actual (2003) | Assumption | Un-confirmed Elements | Comments |
|------------------|------------------|--------------------|------------------|---|--|--|
| Net Sales | 2,378 | 2,000 ~ 2,300 | 1,887 | <ul style="list-style-type: none"> ASE : Estimation of International i-mode sales is same as last period | <ul style="list-style-type: none"> Degree of penetration for International i-mode Sales | <ul style="list-style-type: none"> Increase NRE & Royalty for international i-mode |
| Operating Income | 382 | 150 ~ 300 | 194 | <ul style="list-style-type: none"> ASC : China Unicom deal contributes to our sales after 2nd Qtr | <ul style="list-style-type: none"> Degree of penetration for MMS Service in China | <ul style="list-style-type: none"> Supply Software for server to NTT DoCoMo |
| Ordinary Income | 351 | 150 ~ 300 | 104 | <ul style="list-style-type: none"> AP : Estimation of the publication sales & Digital Contents sales is slightly better than Last Period | <ul style="list-style-type: none"> Timing of contribution to sales for Digital Contents | <ul style="list-style-type: none"> A part of the subsidiaries' ordinary income are less than forecast, which resulted in smaller numbers than as forecasted as a whole group. |
| Net Income | 206 | 70 ~ 180 | 123 | | | |

Non-Consolidation

| (M yen) | Actual (2004) | Forecast (2004) | Actual (2003) | Assumption | Un-confirmed Elements | Comments |
|------------------|------------------|--------------------|------------------|---|--|---|
| Net Sales | 1,942 | 1,700 ~ 1,800 | 1,511 | <ul style="list-style-type: none"> Sales mix (Estimate of this term) Product : Royalty=60:40 | <ul style="list-style-type: none"> Impact for royalty by sales of new mobile phone such as 3G, etc. | <ul style="list-style-type: none"> 130M yen increased in sales. More effective cost control results in 60M yen decrease in SG&A. |
| Operating Income | 380 | 100 ~ 300 | 274 | <ul style="list-style-type: none"> GM (Forecast in this whole year) 51.6% | <ul style="list-style-type: none"> Decreasing GM% of products for new business with new partner's) | <ul style="list-style-type: none"> Sales mix (3Qtr Act) Product : Royalty=60:40 |
| Ordinary Income | 347 | 100 ~ 300 | 186 | <ul style="list-style-type: none"> Expense ratio of sales (Forecast in this whole year) 43% | | <ul style="list-style-type: none"> GM (3Qtr Act) 40% |
| Net Income | 200 | 50 ~ 180 | 204 | | | <ul style="list-style-type: none"> Expense ratio of sales (3Qtr Act) 45% |

Highlight of Year-to-date

Consolidation

| (M yen) | Actual (2004) | Forecast (2004) | Actual (2003) | Assumption | Un-confirmed Elements | Comments |
|------------------|---------------|-----------------|---------------|---|--|---|
| Net Sales | 7,419 | 7,040 ~ 7,340 | 5,370 | • ASE : Estimate International i-mode sales is same as Last Period | • Degree of penetration for International i-mode Sales | • Increase NRE & Royalty for international i-mode |
| Operating Income | 1,080 | 848 ~ 998 | 160 | • ASC : Contribute to sales of China Unicom after 2nd Qtr | • Degree of penetration for MMS Service in China | • Supply Software for server to NTT DoCoMo |
| Ordinary Income | 1,087 | 886 ~ 1036 | 81 | • AP : Estimate the publication sales & Digital Contents sales are slightly better than Last Period | • Timing of contribution to sales for Digital Contents | |
| Net Income | 649 | 512 ~ 622 | 91 | | | • Results for all subsidiaries were same as forecast. |

Non-Consolidation

| (M yen) | Actual (2004) | Forecast (2004) | Actual (2003) | Assumption | Un-confirmed Elements | Comments |
|------------------|---------------|-----------------|---------------|---|--|--|
| Net Sales | 5,909 | 5,667 ~ 5,767 | 4,186 | • Sales mix (Forecast in this whole year) Product: Royalty=60:40 | • Impact for royalty by sales of 3G & PDC new mobile phone | • 130M increase in Sales than forecast |
| Operating Income | 1035 | 755 ~ 955 | 526 | • GM (Forecast in this whole year) 51.6% | • Decrease in GM% by new business with new partners/alliance | • Effective cost control resulted in decrease 103M yen in SG & A |
| Ordinary Income | 1044 | 796 ~ 996 | 452 | • Expense ratio of sales (Forecast in this whole year) 43% | | • Sales mix (YTD Act) Product : Royalty=55:45 |
| Net Income | 693 | 543 ~ 673 | 462 | | | • GM (YTD Act) 40% • Expense ratio of sales (YTD Act) 45% |

3rd Qtr & Year-to-date Results (consolidation)

● **Subsidiary Companies: 6 Companies, Affiliated Company: 1 Company**

| (M yen) | 04/3Qtr | 03/3Qtr | Y-to-Y | 04/YTD | 03/YTD | Y-to-Y | 03/Total | % of Last Period |
|-----------------------------------|---------|---------|--------|--------|--------|----------|----------|------------------|
| Net Sales | 2,378 | 1,887 | 26.0% | 7,419 | 5,370 | 38.1% | 8,793 | 84.3% |
| Gross Margin | 1,440 | 1,078 | 33.5% | 4,305 | 3,178 | 35.4% | 5,078 | 84.7% |
| SG & A Expenses | 1,058 | 883 | 19.7% | 3,224 | 3,018 | 6.8% | 3,783 | 85.2% |
| Operating Income | 382 | 194 | 96.4% | 1,080 | 160 | 575.0% | 1,295 | 83.4% |
| Other Income | ▲30 | ▲89 | - | 6 | ▲78 | - | ▲91 | - |
| Ordinary Income | 351 | 104 | 235.0% | 1,087 | 81 | 1,235.9% | 1,204 | 90.2% |
| Extraordinary gain/loss | 0 | 20 | - | 48 | 13 | - | ▲19 | - |
| Minority Interests in Loss | 150 | 1 | - | 493 | 3 | - | ▲244 | - |
| Net Income | 206 | 123 | 67.0% | 649 | 91 | 607.0% | 1,429 | 45.4% |

Results by Each Subsidiary Company (3rd Qtr)

- ASA : ACCESS SYSTEMS AMERICA Inc.
- ASE : ACCESS SYSTEMS EUROPE GmbH
- ASC : ACCESS CHINA Inc.
- CV : C-Valley Inc.
- AP : ACCESS Publishing Co., Ltd.
- AH : ACCESS Hokkaido Co., Ltd.

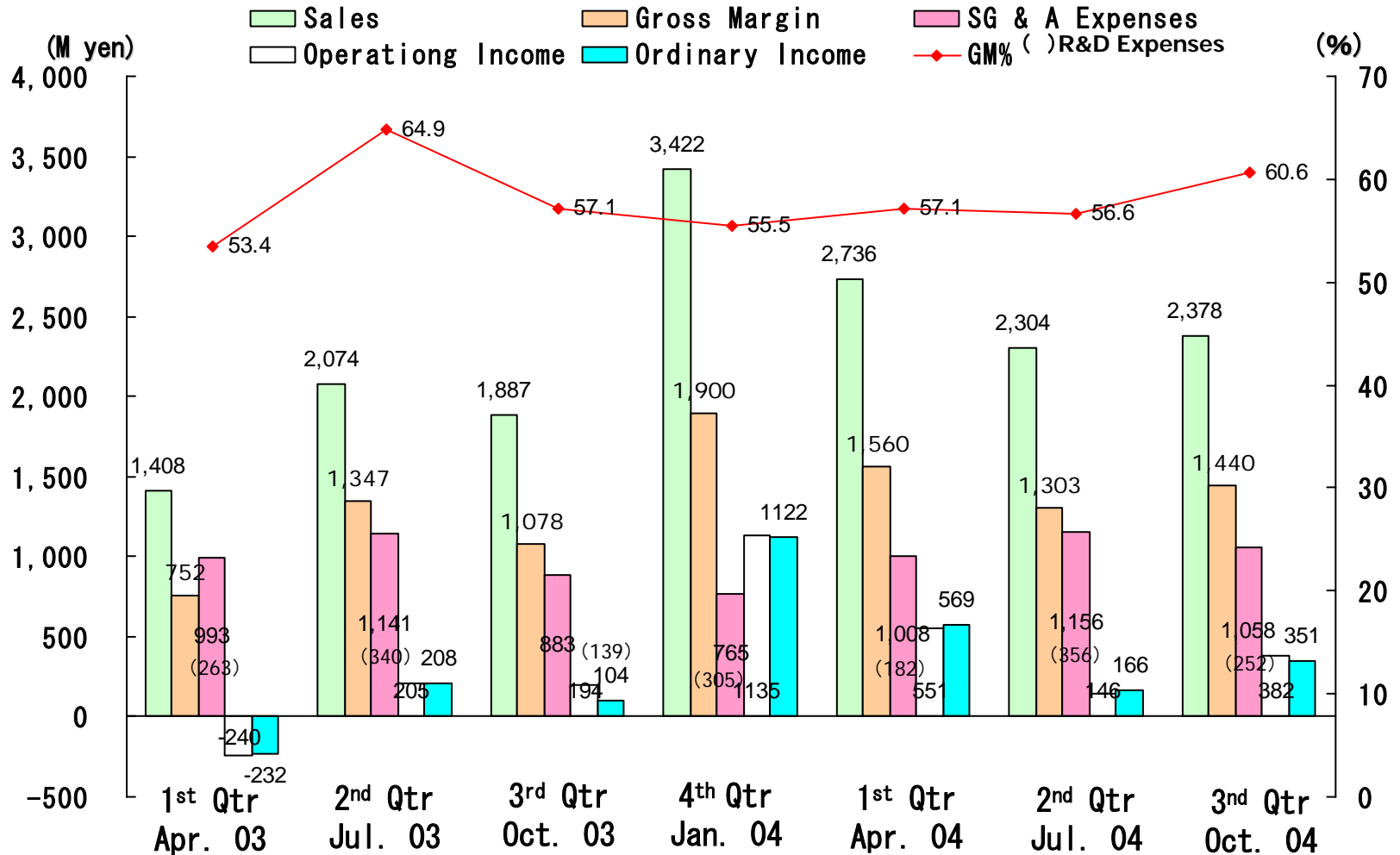
| (M yen) | ACCESS | ASA | ASE | ASC | CV | AP | AH | Adjust. | Consolidation |
|-------------------------|--------|-----|-----|-----|-----|-----|----|---------|---------------|
| Net Sales | 1,942 | - | 234 | 68 | - | 221 | 65 | ▲154 | 2,378 |
| Gross Margin | 1,259 | - | 238 | 27 | ▲2 | 67 | 26 | ▲176 | 1,440 |
| SG & A Expenses | 879 | - | 212 | 49 | 10 | 88 | 2 | ▲183 | 1,058 |
| Operating Income | 380 | - | 26 | ▲21 | ▲12 | ▲20 | 23 | 7 | 382 |
| Ordinary Income | 347 | - | 46 | ▲22 | ▲12 | ▲21 | 23 | ▲10 | 351 |
| Extraordinary gain/loss | 0 | - | 0 | - | - | - | - | 0 | 0 |
| Income tax, etc. | 147 | - | 0 | - | - | 0 | 0 | 2 | 150 |
| Net Income | 200 | - | 46 | ▲22 | ▲12 | ▲21 | 23 | ▲13 | 206 |

Results by Each Subsidiary Company (3rd Qtr)

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| (M yen) | ACCESS | ASA | ASE | ASC | CV | AP | AH | Adjust. | Consolidation |
|-------------------------|--------|-----|-----|-----|-----|-----|-----|---------|---------------|
| Net Sales | 5,909 | 101 | 696 | 233 | - | 762 | 122 | ▲405 | 7,419 |
| Gross Margin | 3,705 | 75 | 582 | 85 | ▲2 | 227 | 45 | ▲414 | 4,305 |
| SG & A Expenses | 2,669 | 27 | 546 | 118 | 10 | 262 | 12 | ▲422 | 3,224 |
| Operating Income | 1,035 | 47 | 35 | ▲33 | ▲12 | ▲35 | 33 | 8 | 1,080 |
| Ordinary Income | 1,044 | 51 | 63 | ▲33 | ▲12 | ▲36 | 33 | ▲22 | 1,087 |
| Extraordinary gain/loss | 168 | 100 | 0 | - | - | 0 | - | ▲220 | 48 |
| Income tax, etc. | 518 | - | 0 | - | - | 0 | 0 | ▲26 | 493 |
| Net Income | 693 | 151 | 63 | ▲33 | ▲12 | ▲37 | 33 | ▲216 | 649 |

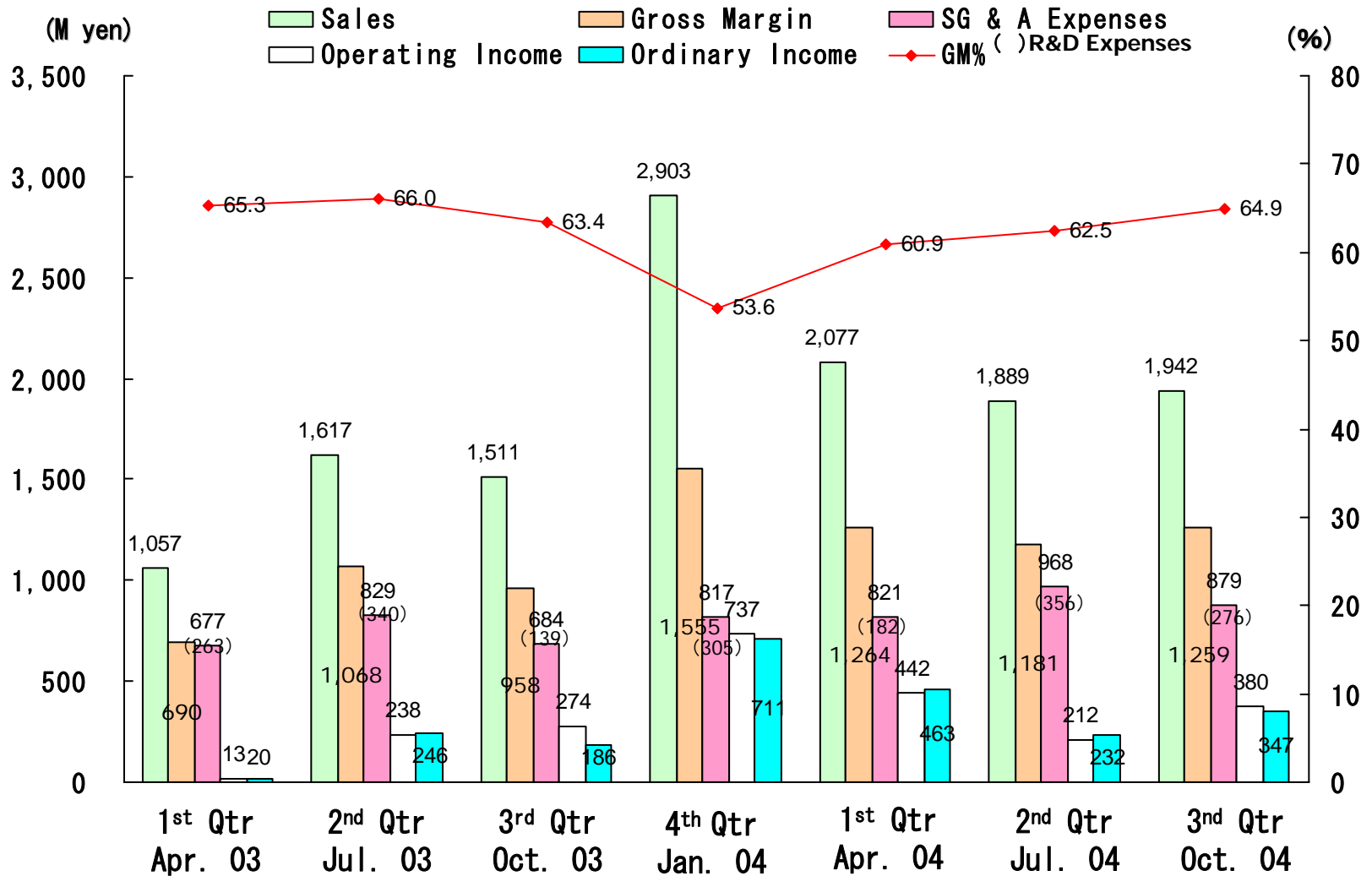
Profits by Qtr (Consolidation)



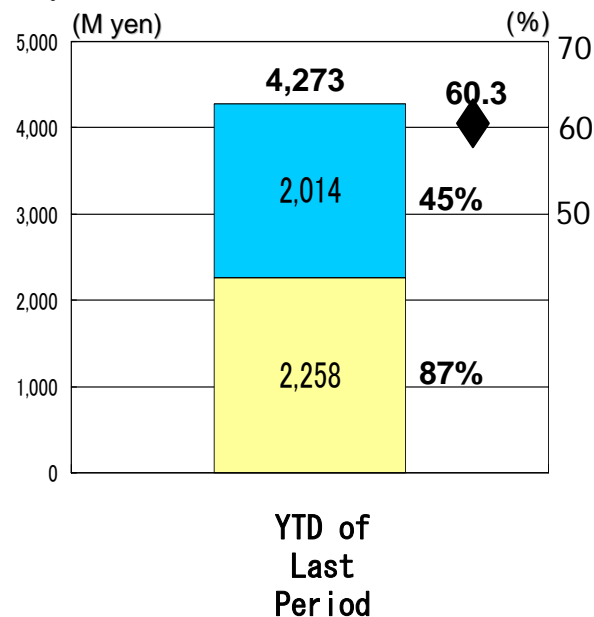
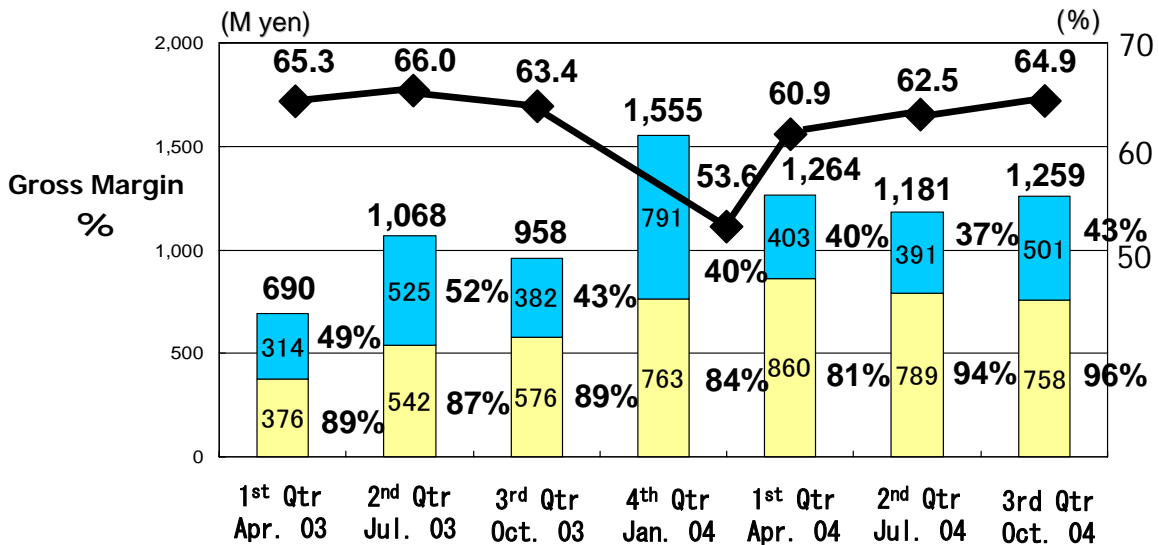
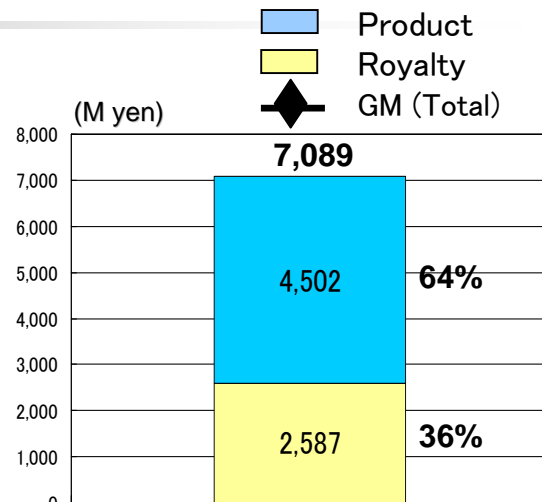
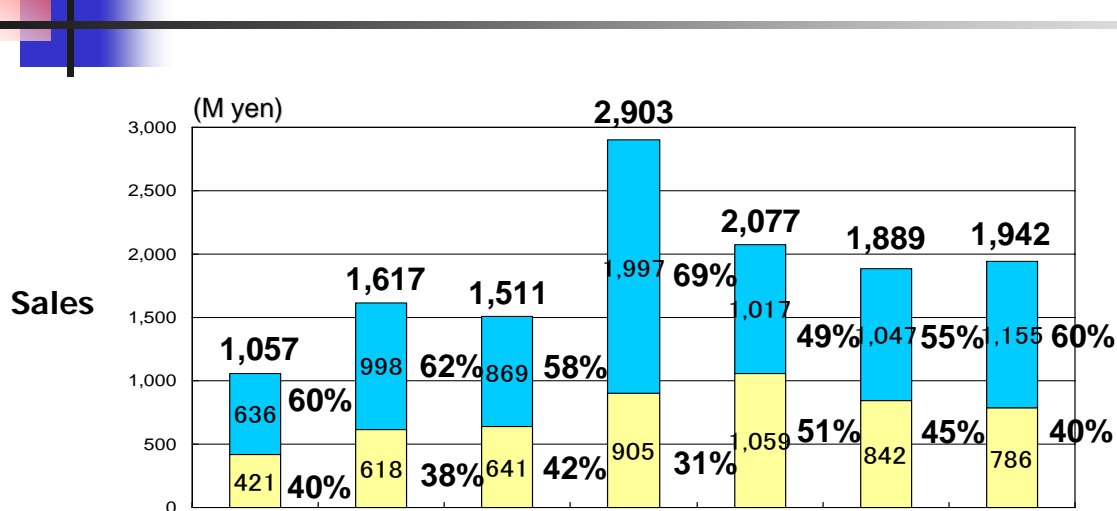
3rd Qtr & Year-to-date Results (Non-consolidation)

| (M yen) | 04/3Qtr | 03/3Qtr | Y-to-Y | 04/YTD | 03/YTD | Y-to-Y | 03/Total | % of Last Term |
|--------------------------------|---------|---------|--------|--------|--------|--------|----------|----------------|
| Net Sales | 1,942 | 1,511 | 28.5% | 5,909 | 4,186 | 41.1% | 7,089 | 83.3% |
| Gross Margin | 1,259 | 958 | 31.4% | 3,705 | 2,717 | 36.3% | 4,273 | 86.6% |
| % | 64.9% | 63.4% | - | 62.7% | 64.9% | - | 60.3% | - |
| SG & A Expenses | 879 | 684 | 28.5% | 2,669 | 2,190 | 21.8% | 3,008 | 88.7% |
| Operating Income | 380 | 274 | 38.3% | 1,035 | 526 | 96.6% | 1,264 | 81.8% |
| Other Income | ▲32 | ▲88 | - | 8 | ▲73 | - | ▲99 | - |
| Ordinary Income | 347 | 186 | 86.3% | 1,044 | 452 | 130.5% | 1,164 | 89.6% |
| Extraordinary gain/loss | 0 | 19 | - | 168 | 12 | - | ▲1,055 | - |
| Income tax, etc. | 147 | 0 | - | 518 | 2 | - | ▲276 | - |
| Net Income | 200 | 204 | -2.1% | 693 | 462 | 50.0% | 385 | 179.9% |

Profits by Qtr (Non-consolidation)

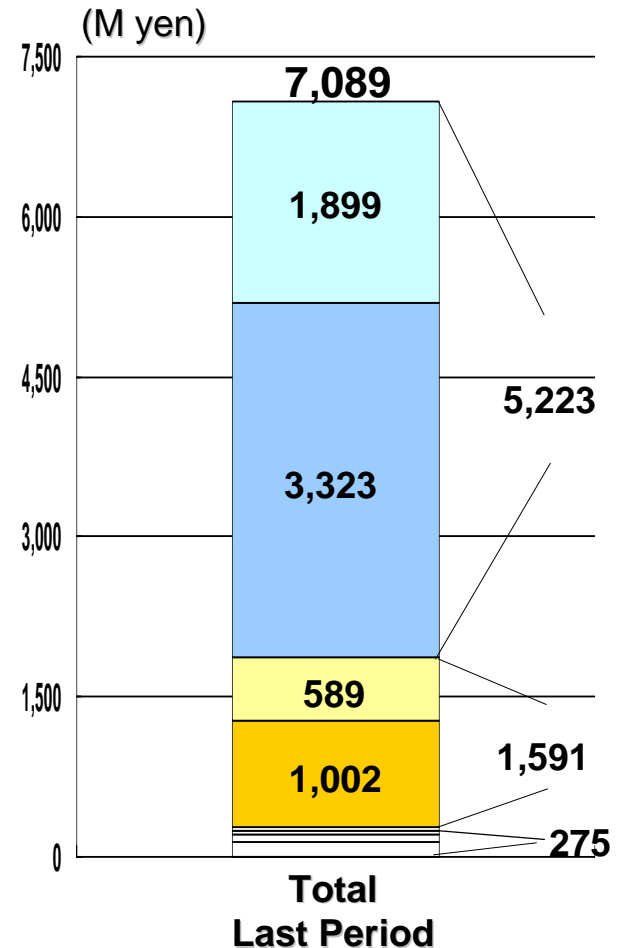
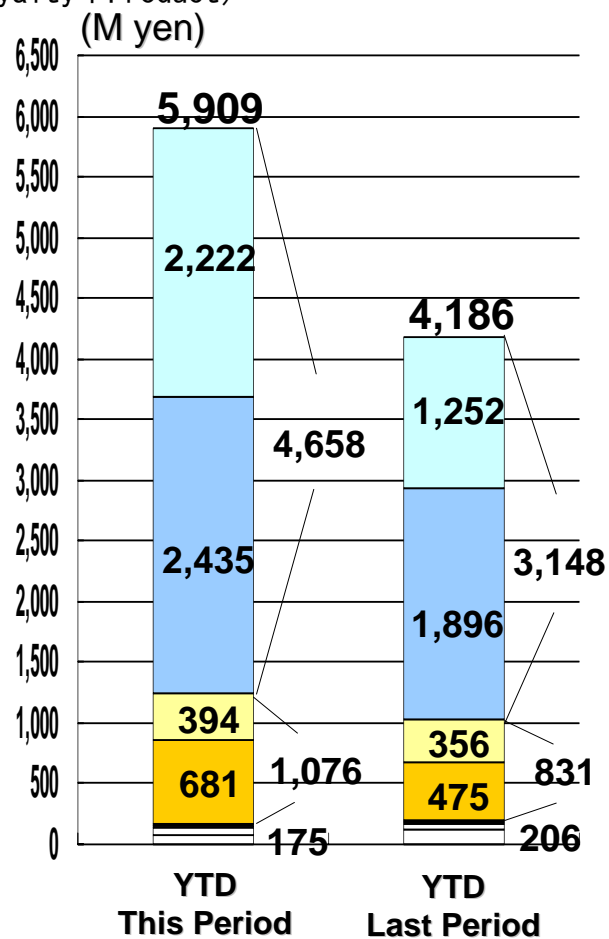
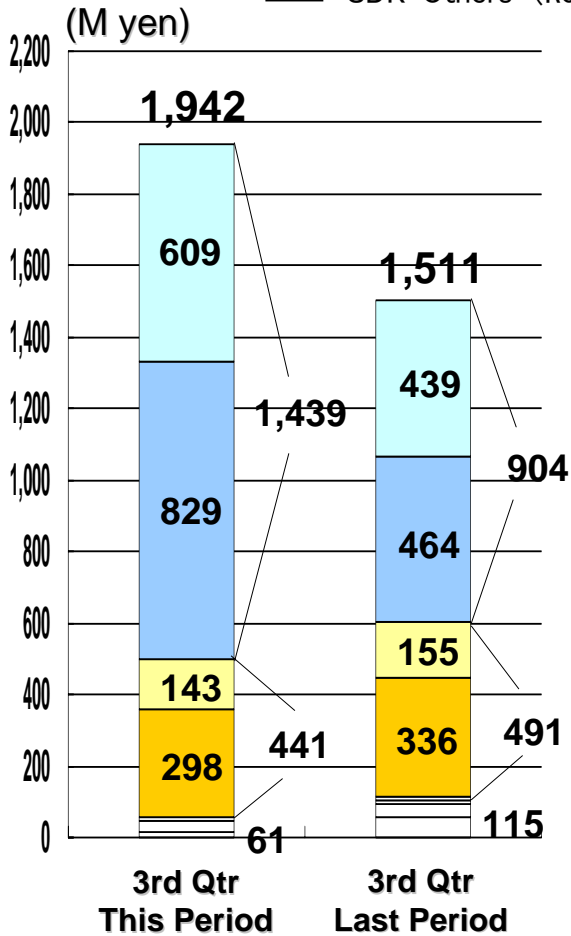


Sales & Gross Margin Results (Non-consolidation)



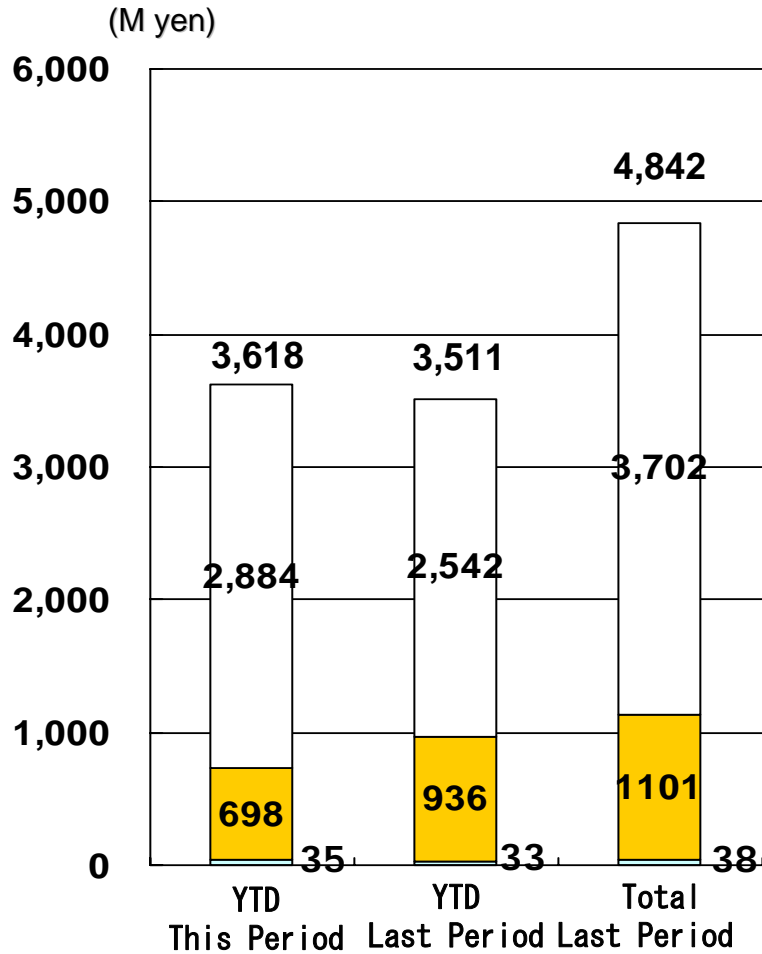
Sales by Category (Non-consolidation)

- Wireless (Royalty)
- Wireless (Product)
- Wired (Royalty)
- Wired (Product)
- SDK+Others (Royalty+Product)

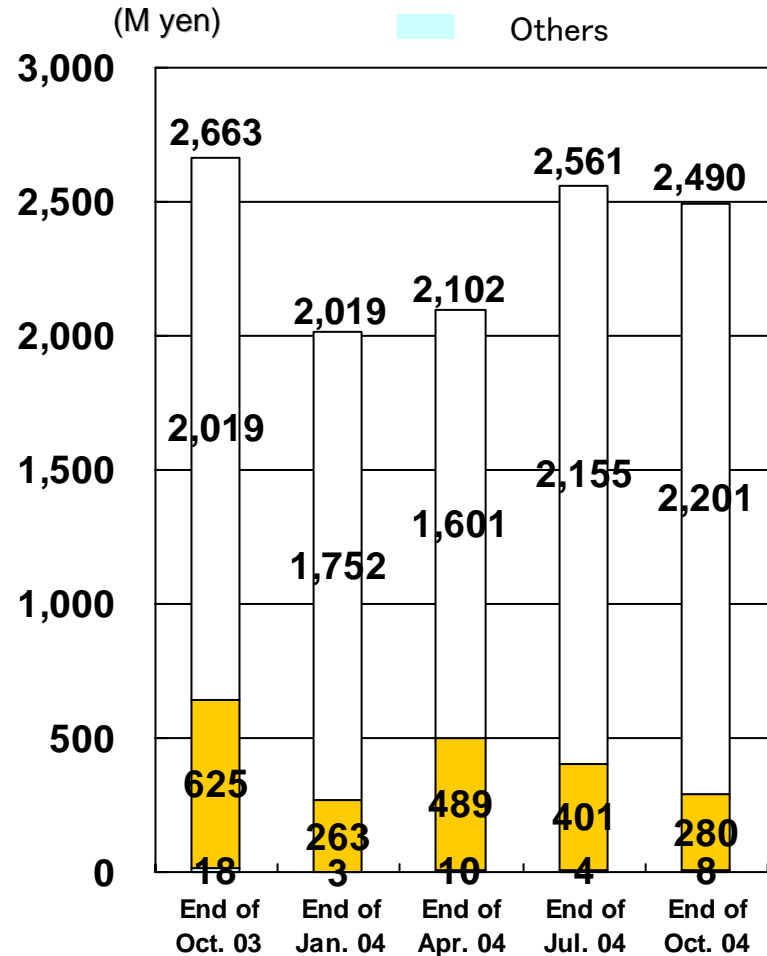


Contracted orders/Backlogs for NRE Fee (Non-consolidation)

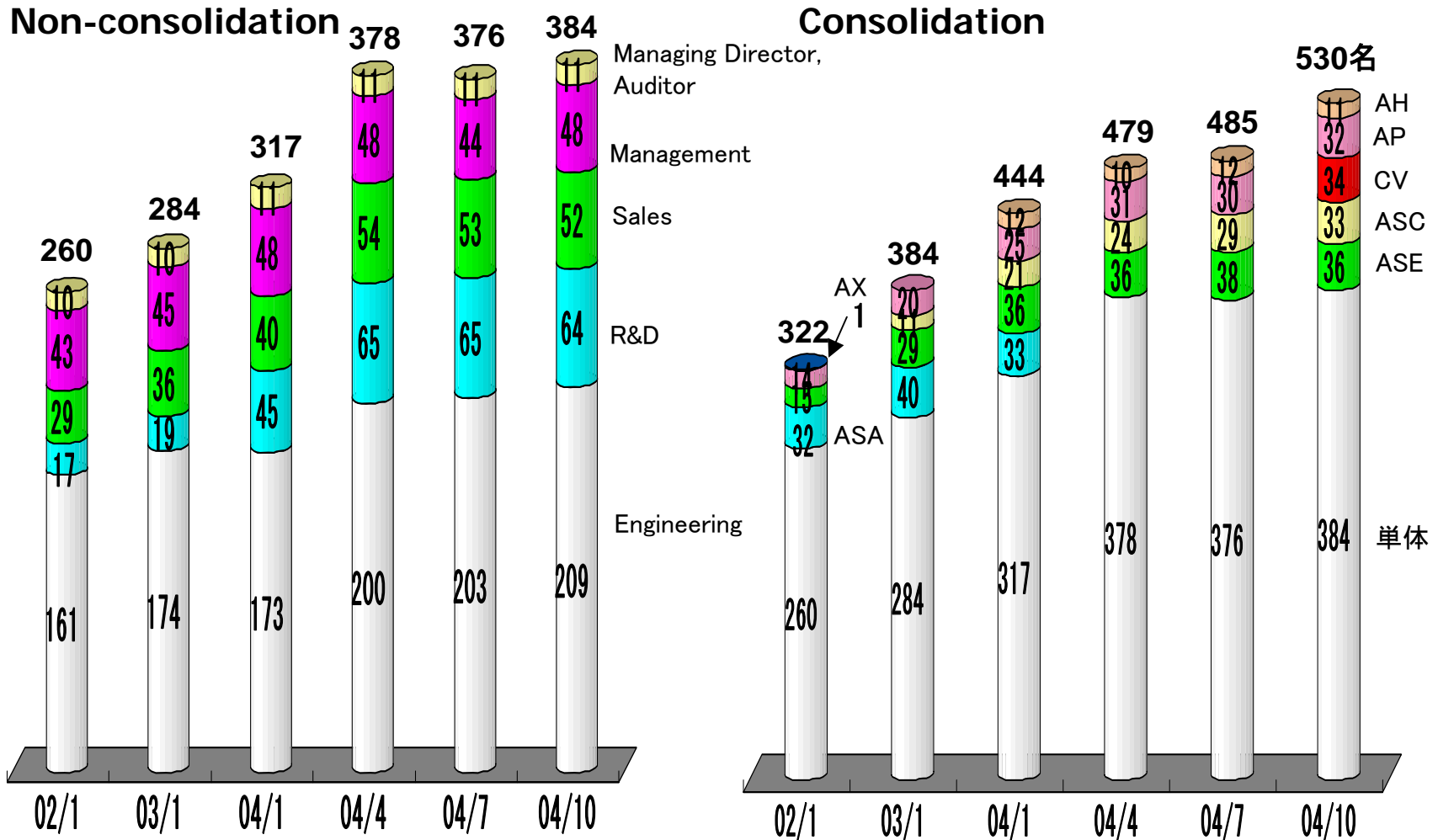
Contracted orders



Backlogs



Employees Transition



Consolidated Balance Sheet

| (M yen) | End of Oct. 04 | End of Oct. 03 | End of Last Period |
|-------------------------------------|----------------|----------------|--------------------|
| I . Current Assets | | | |
| Cash and Time Deposits | 6,627 | 4,385 | 5,445 |
| P-Note & A/R | 1,835 | 1,307 | 2,365 |
| Inventory | 1,001 | 955 | 833 |
| Others | 431 | 315 | 306 |
| II . Non-Current Assets | | | |
| Fixed Assets | 711 | 641 | 722 |
| Intangible Assets | 657 | 462 | 545 |
| Investment & Others | 677 | 277 | 678 |
| Total | 11,942 | 8,345 | 10,897 |
| I . Current Liabilities | 1,539 | 1,710 | 1,871 |
| II . Non-Current Liabilities | 109 | 65 | 72 |
| Minority Interests | 69 | 2 | 2 |
| III . Total Equity | 10,224 | 6,566 | 8,950 |
| Total | 11,942 | 8,345 | 10,897 |

Balance Sheet (Non-consolidation)

| (M yen) | End of Oct. 04 | End of Oct. 03 | End of Last Period |
|-------------------------------------|----------------|----------------|--------------------|
| I . Current Assets | | | |
| Cash and Time Deposit | 5,958 | 3,902 | 4,865 |
| P-Note & A/R | 1,670 | 958 | 2,098 |
| Inventory | 943 | 909 | 724 |
| Others | 422 | 374 | 343 |
| II . Non-Current Assets | | | |
| Fixed Assets | 629 | 565 | 651 |
| Intangible Assets | 450 | 313 | 402 |
| Investment & Others | 1,620 | 2,297 | 1,706 |
| Total | 11,695 | 9,321 | 10,793 |
| I . Current Liabilities | 901 | 911 | 1,393 |
| II . Non-Current Liabilities | 109 | 62 | 67 |
| III . Total Equity | 10,684 | 8,347 | 9,332 |
| Total | 11,695 | 9,321 | 10,793 |

Consolidated Cash Flow

| (M yen) | End of Oct. 04 | End of Oct. 03 | End of Jan. 04 |
|--|-------------------|-------------------|-------------------|
| I. Operating Activities | 1,234 | 995 | 1,250 |
| II. Investing Activities | ▲261 | 162 | ▲876 |
| III. Financing Activities | 704 | 95 | 1,135 |
| IV. Increase(Decrease) in Cash | 1,682 | 1,229 | 1,489 |
| V. Cash and cash equivalents at beginning of the year | 4,105 | 2,616 | 2,616 |
| VI. Cash and cash equivalents at end of the year | 5,787 | 3,845 | 4,105 |

| | | | |
|---|--|--|--|
| Pretax net income in current period: 1,136M yen | Proceeds from stock issuance: 572M yen | Income before income taxes: 1,184M yen | Proceeds from stock issuance: 1,178M yen |
| Expenditure in long-term receivable: 461M yen | Pretax net income in this current period: 94M yen Decrease in A/R: 904M yen | Payments for depositing/canceling of time deposit: 546M yen Purchase of tangible/intangible fixed assets: 481 M yen | |