

Accounting Overview
3rd Quarter
(Feb. 2005 – Jan. 2006)

ACCESS Co., Ltd.
December, 2005



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.



Key Points of the Financial Statement

- * On the consolidated basis, net sales came to ¥9,880 million, and ordinary income, to ¥1,459 million
 - The performance of consolidated subsidiaries achieved forecast levels in terms of ordinary income.
 - The company achieved surplus above the forecast due to improvement of the control of selling, general and administrative expenses.

- * On the non-consolidated basis, net sales came to ¥8,217 million, and ordinary income, to ¥1,559 million.
 - Sales were higher than had been projected due to the royalty on mobile handset and overall NRE demands.
 - Selling, general and administrative expenses were higher than in the same term of the previous fiscal year, but were within forecast levels due to cost control and other measures.
 - Achieved surplus in ordinary income above forecast level, though there were some expenditures unexpected in the beginning of this year.

- * On the non-consolidated basis, the share of total sales occupied by royalties reached 41 percent (9 months), the same level as in the previous fiscal year (41%:FY05 total).

Q3(August to October) Highlights

Consolidated

(¥1 million)	Performance	Projected Range	Previous Year	Assumptions	Unconfirmed Factors	Comments
Net Sales	3,839	3,090 ~ 3,490	2,378	<ul style="list-style-type: none"> ASE: Sales contributions from international i-mode in Europe is expected to be same as the previous quarter. 	<ul style="list-style-type: none"> Extent of proliferation of international i-mode and other cell phone makers in Europe. 	<ul style="list-style-type: none"> The performance of consolidated subsidiaries exceeded forecast levels in terms of both sales and ordinary income.
Operating In	488	110 ~ 270	382	<ul style="list-style-type: none"> ASG: Sales contributions from the AP are expected to be similar to the previous quarter. 	<ul style="list-style-type: none"> Timing of sales contributions from digital content 	
Ordinary Inc	416	50 ~ 210	351	<ul style="list-style-type: none"> AP: Digital content sales are expected to rise slightly over the previous quarter. 		
Net Income	232	30 ~ 130	206			

Non-consolidated

(¥1 million)	Performance	Projected Range	Previous Year	Assumptions	Unconfirmed Factors	Comments
Net Sales	3,312	2,530 ~ 2,830	1,942	<ul style="list-style-type: none"> Sales percentage composition (full year forecast) ⇒ Product: Royalties = 59:41 	<ul style="list-style-type: none"> Impact on our royalty earnings from new models of cellular phones, mainly 3G terminals 	<ul style="list-style-type: none"> The company posted sales above the forecast in terms of both products and royalties, and achieved a substantial surplus due to improvement of the sales mix and control of selling, general and administrative expenses.
Operating In	544	140 ~ 300	380	<ul style="list-style-type: none"> Product gross margin (full year forecast) ⇒ 42-46% 	<ul style="list-style-type: none"> Decrease in product gross margin from new client 	<ul style="list-style-type: none"> Sales percentage composition (Q3 performance) ⇒ product : royalties = 61:39
Ordinary Inc	484	90 ~ 250	347	<ul style="list-style-type: none"> Sales-to-SGA cost ratio (full year forecast) ⇒ 34% 		<ul style="list-style-type: none"> NRE's gross margin (Q3 performance) ⇒ 31% Sales proceeds to SGA expenses ratio (Q3 performance) ⇒ 38%

9 Months (Feb to Oct) Highlights

Consolidated

(¥1 million)	Performance	Projected range	Previous year	Assumptions	Unconfirmed factors	Comments
Net sales	9,880	9,130 ~ 9,530	7,419	<ul style="list-style-type: none"> ASE: Sales contributions from international i-mode in Europe is expected to be same as the previous quarter. ASC: Sales contributions from the China Unicom case are expected to be similar to the previous quarter. AP: Digital content sales are expected to rise slightly over the previous quarter. 	<ul style="list-style-type: none"> Extent of proliferation of international i-mode and other cell phone makers in Europe. Extent of proliferation of MMS services in China Timing of sales contributions from digital content 	<ul style="list-style-type: none"> The performance of consolidated subsidiaries exceeded forecast levels in terms of both sales and ordinary income.
Operating i	1,494	1,116 ~ 1,276	1080			
Ordinary in	1,459	1,092 ~ 1,252	1087			
Net income	905	657 ~ 757	649			

Non-consolidated

(¥1 million)	Performance	Projected range	Previous year	Assumptions	Unconfirmed factors	Comments
Net sales	8,217	7,435 ~ 7,735	5,909	<ul style="list-style-type: none"> Sales percentage composition (full year forecast) ⇒ Product: Royalties =59:41 	<ul style="list-style-type: none"> Impact on our royalty earnings from new models of cellular phones, 	<ul style="list-style-type: none"> The company posted sales above the forecast in terms of both products and royalties, and achieved a substantial surplus due to improvement of the sales mix and control of selling, general and administrative expenses.
Operating i	1,581	1,176 ~ 1,336	1035	<ul style="list-style-type: none"> Product gross margin (full year forecast) ⇒ 42~46% 	<ul style="list-style-type: none"> mainly 3G terminals 	<ul style="list-style-type: none"> Sales percentage composition (Q3 performance)⇒ product : royalties =59:41 NRE's gross margin (Q3 performance)⇒35%
Ordinary in	1,559	1,164 ~ 1,324	1044	<ul style="list-style-type: none"> Sales-to-SGA cost ratio (full year forecast) ⇒ 40% 	<ul style="list-style-type: none"> Decrease in product gross margin from new client 	<ul style="list-style-type: none"> Sales proceeds to SGA expenses ratio (Q3 performance)⇒41%
Net income	943	665 ~ 765	693			

Consolidated Financial Highlights (9months)

- Companies subject to consolidation: 14 consolidated subsidiaries and 1 consolidated company by equity method

(¥1 million)	06/3Qtr	05/3Qtr	Year-on-year change	06 9months	05 9months	Year-on-year change	05/Total	% of Last Term
Net sales	3,839	2,378	61.4%	9,880	7,419	33.2%	11,347	87.1%
Gross profit on sales	2,061	1,440	43.1%	5,626	4,305	30.7%	6,623	84.9%
SG&A expenses	1,573	1,058	48.6%	4,131	3,224	28.1%	4,351	94.9%
Operating income	488	382	27.8%	1,494	1,080	38.3%	2,272	65.8%
Other Income	(71)	(30)	—	(35)	6	—	(14)	—
Ordinary income	416	351	18.6%	1,459	1,087	34.2%	2,258	64.6%
Extraordinary gain(loss)	0	0	—	(26)	48	—	101	—
Corporate income taxes, etc	211	150	40.8%	600	493	21.7%	815	73.5%
Net income	232	206	12.5%	905	649	39.3%	1,567	57.8%

3rd Qtr(Aug-Oct) & 1st Half Results (Consolidation)

- ASE: ACCESS Systems Europe GmbH
- ASC: ACCESS China Inc.
- AH: ACCESS Hokkaido Co., Ltd.
- AP: ACCESS Publishing Co., Ltd.
- CV: C-Valley Inc.
- RZ: RedZero Inc.

(¥1 million)	ACCESS	ASE	ASC	AH	AP	CV	RZ	Adjustment Journal Entry	Consolidated total
Net Sales	3,312	265	92	50	312	13	0	(207)	3,839
Gross Margin	1,802	266	52	18	110	(14)	0	(175)	2,061
SG & A Expenses	1,258	256	41	4	101	21	30	(138)	1,573
Operating Income	544	10	11	14	9	(35)	(29)	(37)	488
Other Income	(59)	(5)	2	0	0	(6)	(1)	0	(71)
Ordinary Income	484	5	14	14	9	(42)	(31)	(37)	416
Extraordinary gain/loss	9	0	—	—	—	—	—	(9)	0
Minority Interests in Loss	166	8	—	0	0	0	—	36	211
Net Income	327	(3)	14	14	9	(42)	(31)	(54)	232

Results by Each Subsidiary Company (-3rd Qtr)

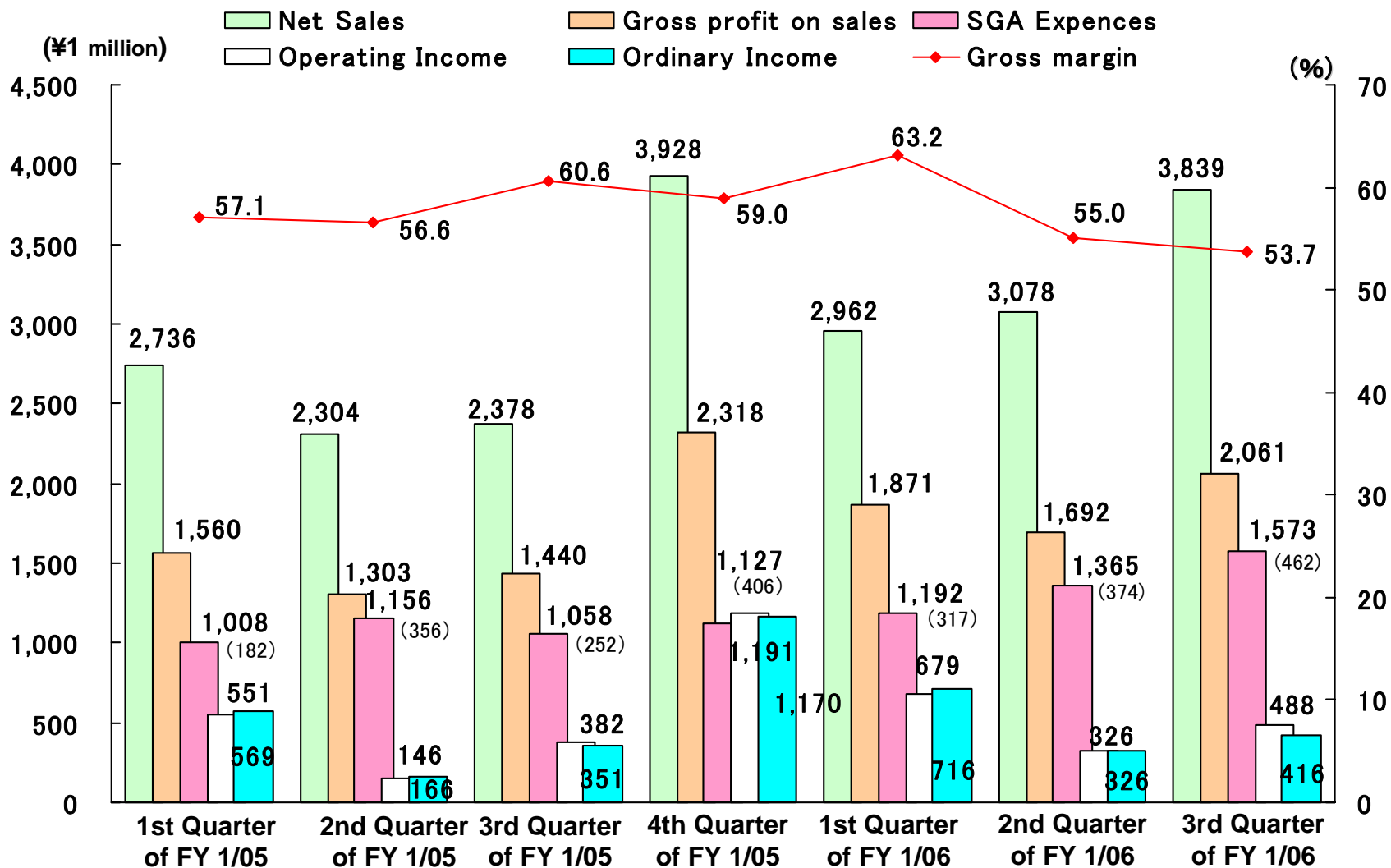
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(¥1 million)	ACCESS	ASE	ASC	AH	AP	CV	RZ	Adjustment Journal Entry	Consolidat ed total
Net Sales	8,217	782	320	113	881	26	3	(464)	9,880
Gross Margin	4,917	746	180	40	293	(40)	3	(515)	5,626
SG & A Expenses	3,336	700	128	10	293	62	89	(489)	4,131
Operating Income	1,581	45	52	30	0	(103)	(86)	(25)	1,494
Other Income	(22)	25	3	0	0	(7)	(1)	(32)	(35)
Ordinary Income	1,559	70	55	30	0	(110)	(87)	(58)	1,459
Extraordinary gain/loss	(26)	0	—	0	—	—	—	0	(26)
Minority Interests in Loss	589	9	—	0	0	—	—	0	600
Net Income	943	60	55	29	0	(110)	(87)	14	905

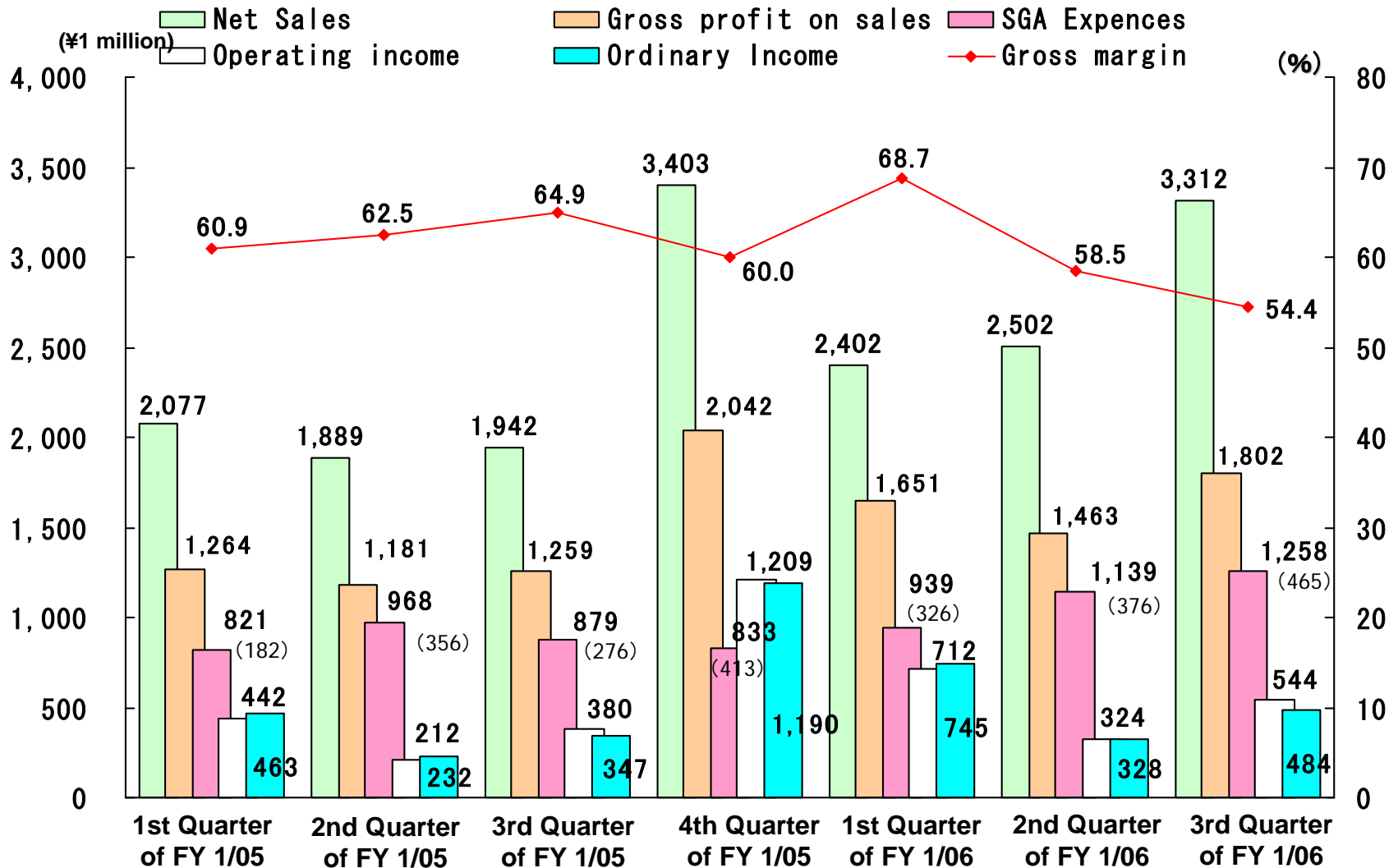
Trend of Quarterly Sales, etc. (non-consolidated)

(¥1 million)	06/3Qtr	05/3Qtr	Y-on-Y	06/1 9 months	05/1 9 months	Y-on-Y	05/Total	% of Last Term
Net sales	3,312	1,942	70.5%	8,217	5,909	39.1%	9,313	88.2%
Gross profit on sales	1,802	1,259	43.1%	4,917	3,705	32.7%	5,747	85.6%
Gross margin	54.4%	64.9%	—	59.8%	62.7%	—	61.7%	—
SG&A expenses	1,258	879	43.0%	3,336	2,669	25.0%	3,502	95.3%
Operating income	544	380	43.2%	1,581	1,035	52.7%	2,244	70.5%
Other Income	(59)	(32)	—	(22)	8	—	(10)	—
Ordinary income	484	347	39.5%	1,559	1,044	49.3%	2,234	69.8%
Extraordinary gain(loss)	9	(0)	—	(26)	168	—	(124)	—
Corporate income taxes, etc.	166	147	13.0%	589	518	13.6%	838	70.3%
Net income	327	200	63.9%	943	693	35.9%	1,271	74.2%

Trend of Quarterly Sales, etc. (consolidated)

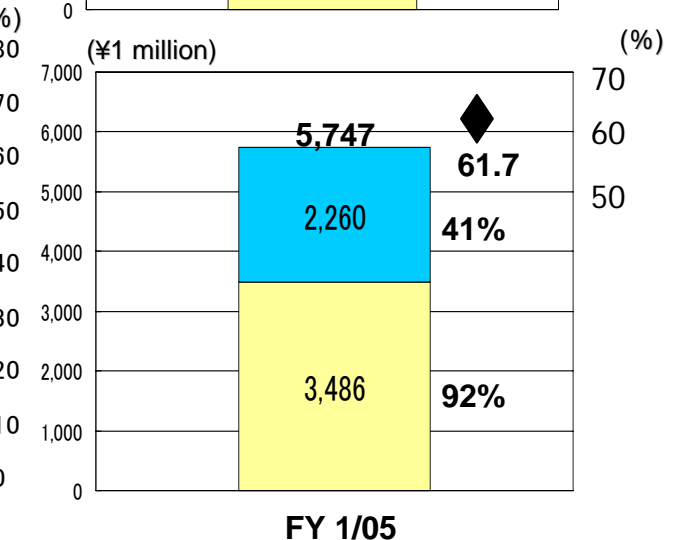
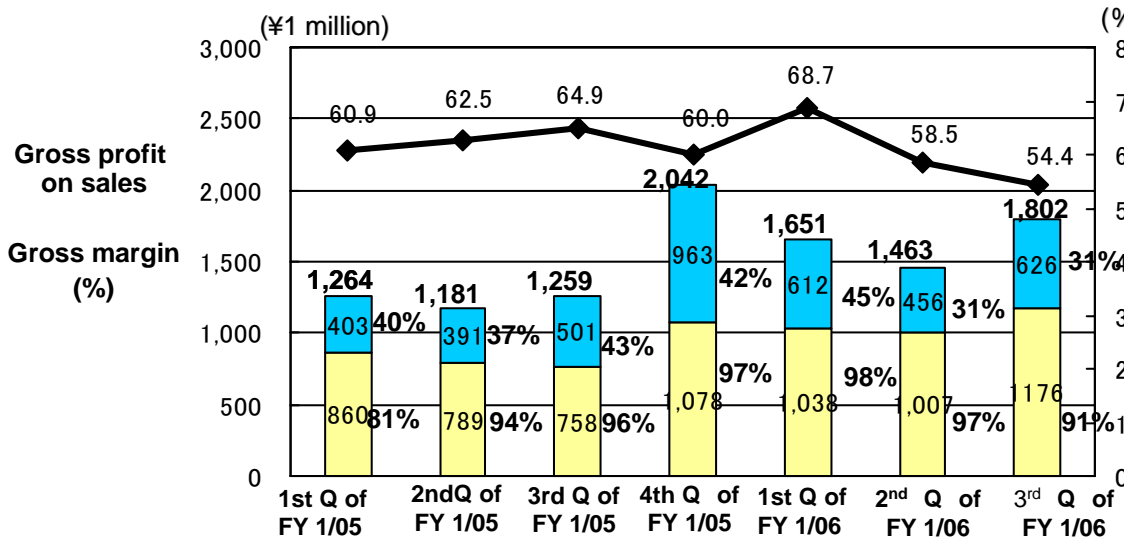
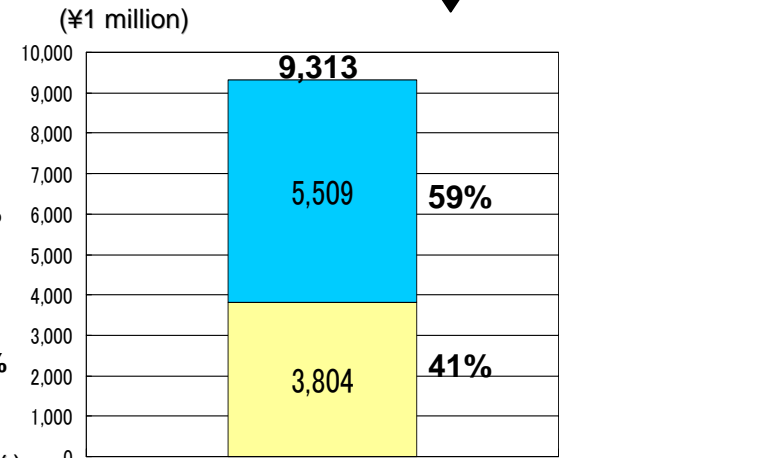
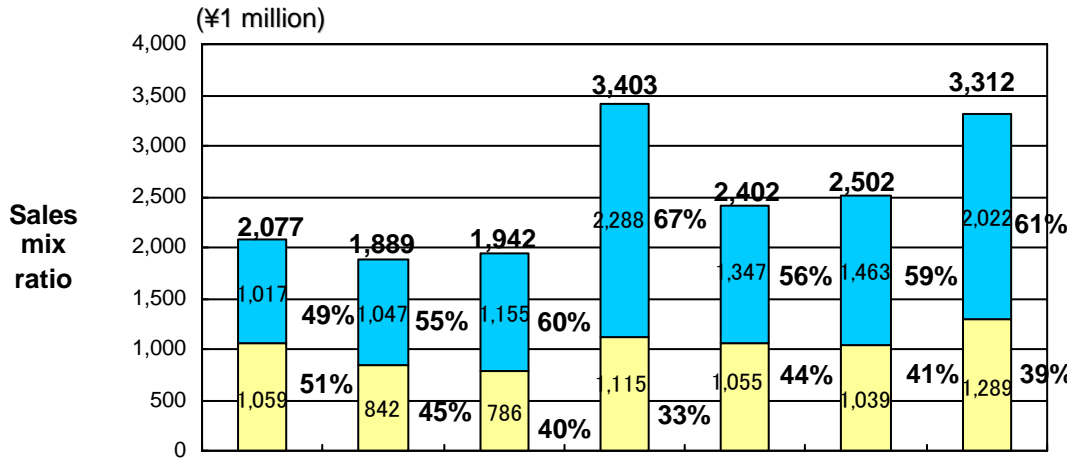


Trend of Quarterly Sales, etc. (non-consolidated)



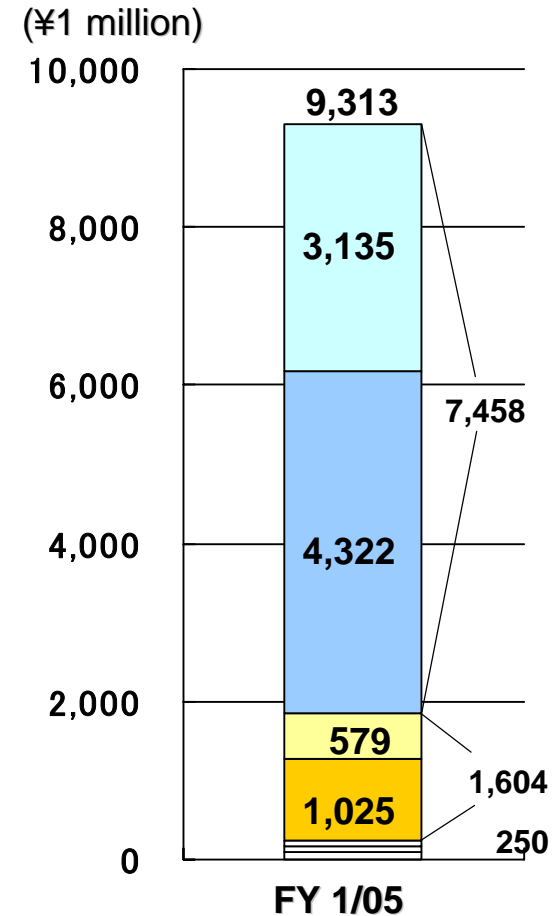
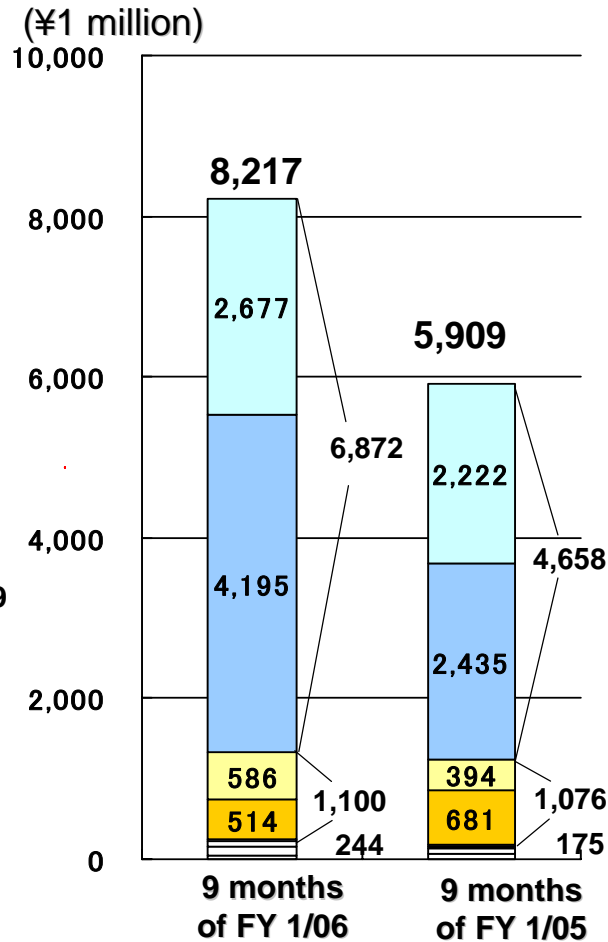
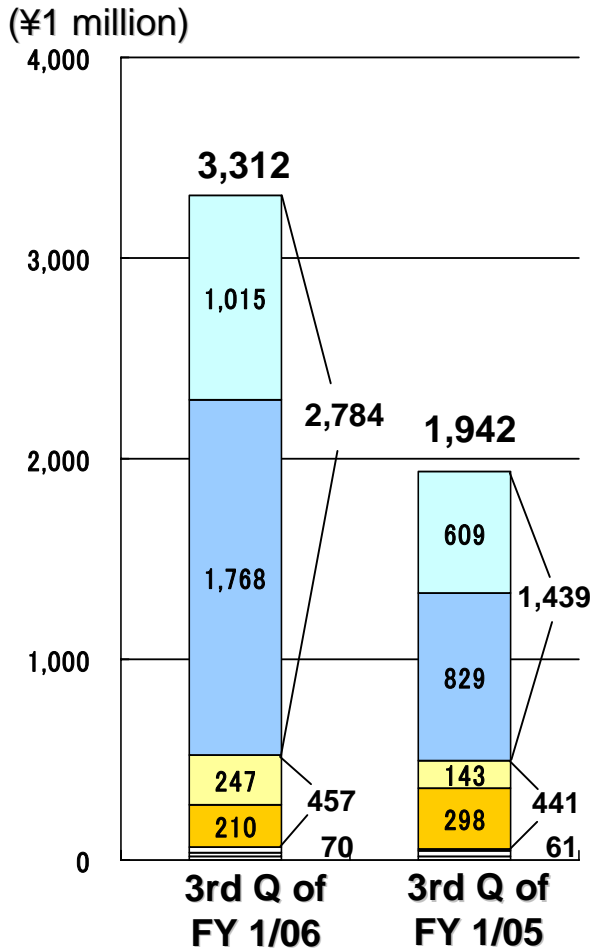
Trend of Sales & Gross Profit on Sales (non-consolidated)

■ Product sales
■ Royalties
◆ Gross margin(overall)



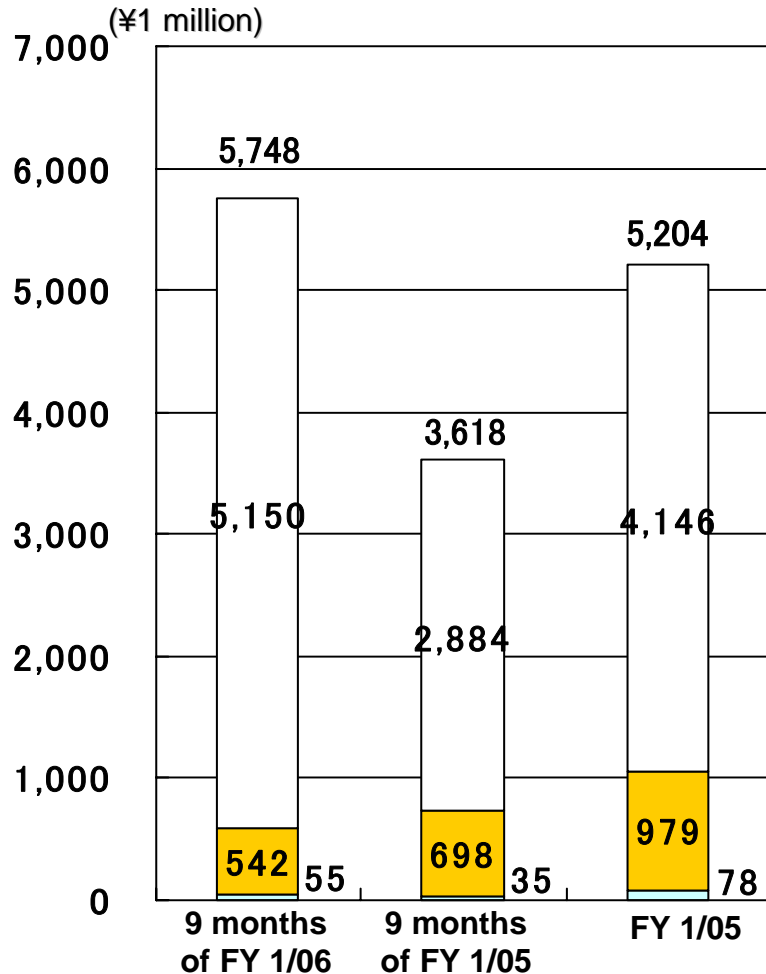
Breakdown of Sales (non-consolidated 9 months)

- Wireless (royalties)
- Wired (royalties)
- SDK, NRE and others (royalties + products)
- Wireless (products)
- Wired (products)

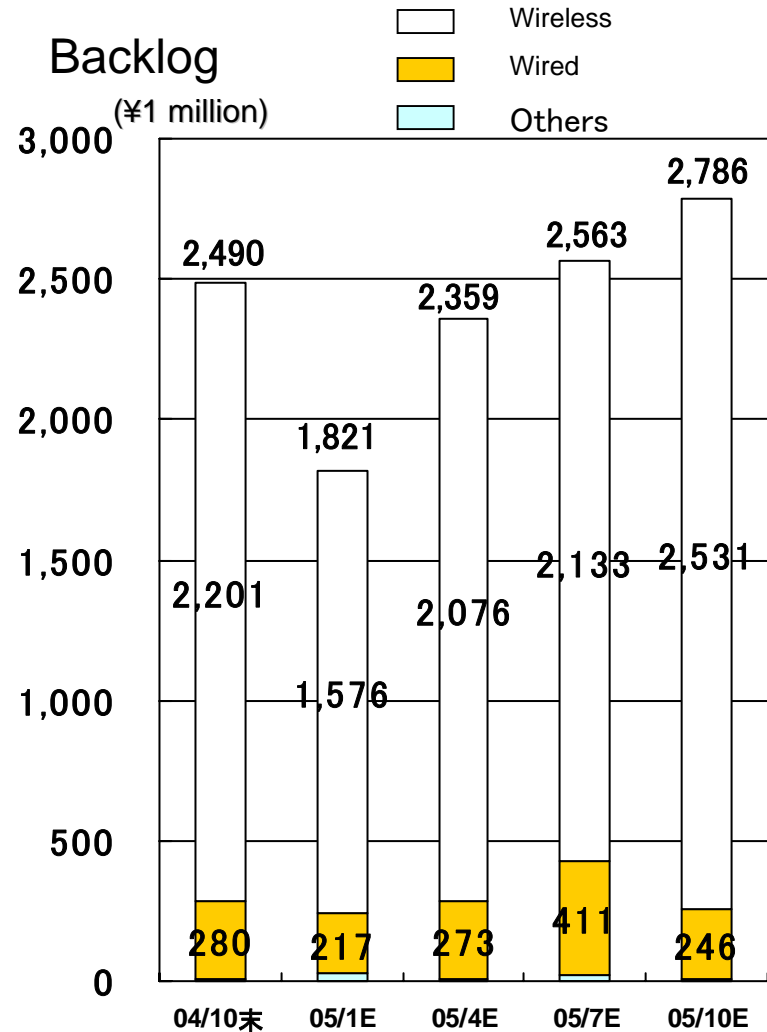


Orders for NRE Products (non-consolidated)

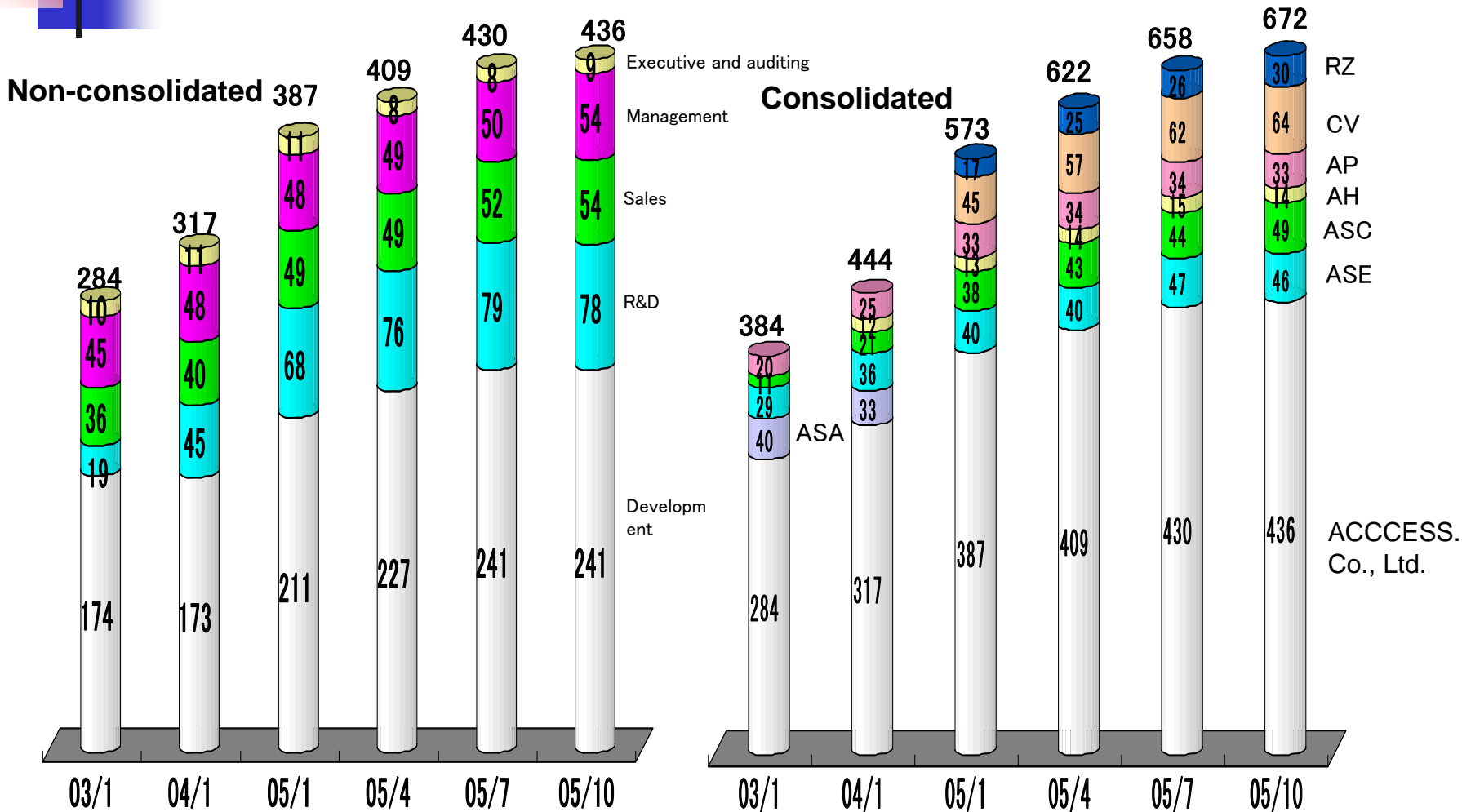
Orders received



Backlog



HR Transition (non-consolidated and consolidated)



Comparative Consolidated Balance Sheet (summary)

(¥1 million)	End of 3 rd Q of FY 1/06	End of 3 rd Q of FY 1/05	End of FY 1/05
I. Current assets			
Cash and deposits	58,103	6,627	7,460
Cash and deposits	3,154	1,835	3,100
Inventory	971	1,001	691
Other	789	431	549
II. Non-current assets			
Tangible fixed assets	813	711	729
Intangible fixed assets	517	657	602
Investments and other assets	1,076	677	467
Total	65,425	11,942	13,601
I. Current liabilities	2,578	1,539	1,984
II. Non-current liabilities	20,164	109	110
Minority interest	110	69	168
III. Total equity	42,571	10,224	11,337
Total	65,425	11,942	13,601

Comparative non-consolidated Balance Sheet(summary)

(¥1 million)	End of 3 rd Q of FY 1/06	End of 3 rd Q of FY 1/05	End of FY 1/05
I . Current assets			
Cash and deposits	57,470	5,958	6,494
Accounts receivable	2,855	1,670	2,855
Inventory	822	943	577
Other	621	422	468
II . Non-current assets			
Tangible fixed assets	683	629	625
Intangible fixed assets	381	450	433
Investments and other assets	2,119	1,620	1,505
Total	64,954	11,695	12,960
I . Current liabilities	1,923	901	1,240
II . Non-current liabilities	20,305	109	250
III . Total equity	42,725	10,684	11,469
Total	64,954	11,695	12,960

Comparative non-consolidated Balance Sheet(summary)

(¥1 million)	End of 3 rd Q of FY 1/06	End of 3 rd Q of FY 1/05	Fiscal Year 2005 (Last Period)
I. Cash flows from operating activities	1,301	1,234	1,489
II. Cash flows from investing activities	(1,352)	(261)	(38)
III. Cash flows from financing activities	50,313	704	1,067
IV. Increase in cash and cash equivalents	50,293	1,682	2,516
V. Balance of cash and cash equivalents at beginning of the term	6,621	4,105	4,105
VI. Balance of cash and cash equivalents at the end of the term	56,915	5,787	6,621

Net Profit before tax :1,432M¥	Cash inflow from CB issuance :50,000M¥	Cash inflow with Equity :657M¥	Cash inflow with Equity :864M¥
Cash out to bank deposit :502M¥ Acquisition of Equity :473M¥		Cash out to long term Debt :461M¥	
	Net Profit before tax :1,136M¥		Net Profit before tax :2,359M¥ Increase in Credit Sales :726M¥