

Overview for Financial Results
(Feb. 2004 - Jan. 2005)

ACCESS Co., Ltd.
March 2005



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-end results

- **Consolidated Result :**

- YTD; Sales 11,347M yen, Ordinary Income 2,258M yen**

- Q4 ; Sales 3,928M yen, Ordinary Income 1,170M yen**

- The consolidated result is more than forecasted in sales revenue, ordinary income, and net income on a consolidation basis.

- **Non consolidated Result :**

- YTD; Sales 9,313M yen, Ordinary Income 2,234M yen**

- Q4 ; Sales 3,403M yen, Ordinary Income 1,190M yen**

- It has covered a decrease of gross margin in NRE that “FOMA” is getting popular and growing well in shipped numbers and royalty revenue. As a result, it is more than forecasted in sales revenue, ordinary income, and net income.

Highlight of Year-to-date

Consolidation

(M yen)	Actual (2004)	Forecast (2004)	Actual (2003)	Assumption	Un-confirmed Elements	Comments
Net Sales	11,347	10,228	8,793	<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"> Sales revenue, ordinary income, and net income is more than forecasted on consolidated basis.
Operating Income	2,272	2,007	1,295	<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 	
Ordinary Income	2,258	2,002	1,204	<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 	
Net Income	1,567	1,199	1,429			

Non-Consolidation

(M yen)	Actual (2004)	Forecast (2004)	Actual (2003)	Assumption	Un-confirmed Elements	Comments
Net Sales	9,313	8,440	7,089	<ul style="list-style-type: none"> Sales mix (Forecast in this whole year) 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"> It has covered a decrease of GM% in NRE that "FOMA" is getting popular and growing well in shipped numbers and royalty revenue. As a result, it is more than forecasted in sales revenue, ordinary income, and net income.
Operating Income	2,244	1,905	1,264	<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 	
Ordinary Income	2,234	1,905	1,164	<ul style="list-style-type: none"> Expense ratio of sales (Forecast in this whole year) 43% 		<ul style="list-style-type: none"> Sales mix (YTD Act.) Product : Royalty=59:41
Net Income	1,271	1,105	385			<ul style="list-style-type: none"> GM (YTD Act.) 41% Expense ratio of sales (YTD Act.) 38%

4th Qtr & Year-to-date Results (consolidation)

● Subsidiary Companies: 14 Companies, Affiliated Company: 1 Company

(M yen)	04/4Qtr	03/4Qtr	Y-to-Y	04/YTD	03/YTD	Y-to-Y
Net Sales	3,928	3,422	14.7%	11,347	8,793	29.0%
Gross Margin	2,318	1,900	22.0%	6,623	5,078	30.4%
SG & A Expenses	1,127	765	47.3%	4,351	3,783	15.0%
Operating Income	1,191	1,135	4.9%	2,272	1,295	75.4%
Other Income	▲20	▲12	-	▲14	▲91	-
Ordinary Income	1,170	1,122	4.2%	2,258	1,204	87.5%
Extraordinary gain/loss	52	▲33	-	101	▲19	-
Corporate income tax, etc.	322	▲247	-	815	▲244	-
Net Income	917	1,337	-31.3%	1,567	1,429	9.6%

Highlight by Qtr (Consolidation)

● Subsidiary Companies: 14 Companies, Affiliated Company: 1 Company

(M yen)	04/1Qtr	04/2Qtr	04/3Qtr	04/4Qtr	04/YTD	03/YTD	Y-to-Y
Net Sales	2,736	2,304	2,378	3,928	11,347	8,793	29.0%
Gross Margin	1,560	1,303	1,440	2,318	6,623	5,078	30.4%
SG & A Expenses	1,008	1,156	1,058	1,127	4,351	3,783	15.0%
Operating Income	551	146	382	1,191	2,272	1,295	75.4%
Other Income	17	20	▲30	▲20	▲14	▲91	-
Ordinary Income	569	166	351	1,170	2,258	1,204	87.5%
Extraordinary gain/loss	▲14	63	0	52	101	▲19	-
Corporate income tax, etc.	241	100	150	322	815	▲244	-
Net Income	313	129	206	917	1,567	1,429	9.6%

Results by Each Subsidiary Company (4th Qtr)

- 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.

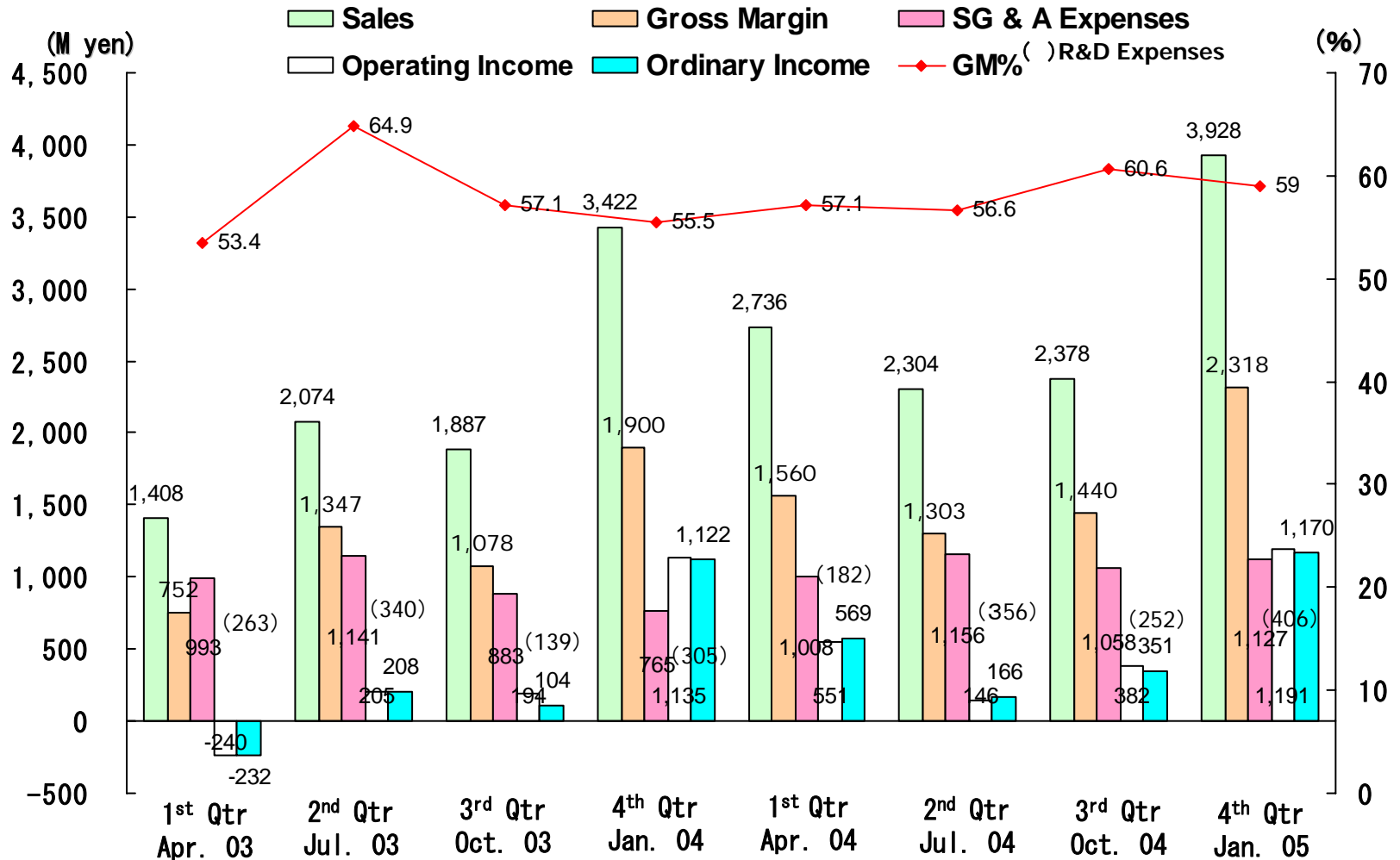
(M yen)	ACCESS	ASE	ASC	AH	AP	CV	RZ	Adjust.	Consolidation
Net Sales	3,403	240	106	38	366	1	-	▲228	3,928
Gross Margin	2,042	226	68	11	149	▲4	-	▲174	2,318
SG & A Expenses	833	236	35	3	81	25	40	▲128	1,127
Operating Income	1,209	▲10	32	8	68	▲29	▲40	▲46	1,191
Other Income	▲18	▲14	1	0	0	0	▲4	15	▲20
Ordinary Income	1,190	▲24	34	8	67	▲29	▲44	▲30	1,170
Extraordinary gain/loss	▲293	0	-	-	0	-	-	345	52
Corporate income tax, etc.	319	8	-	0	0	-	-	▲4	322
Net Income	577	▲33	34	7	67	▲29	▲44	320	917

Results by Each Subsidiary Company (YTD)

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

(M yen)	ACCESS	ASA	ASE	ASC	AH	AP	CV	RZ	Adjust.	Consolidation
Net Sales	9,313	101	936	339	160	1,129	1	-	▲634	11,347
Gross Margin	5,747	75	808	153	57	376	▲6	-	▲589	6,623
SG & A Expenses	3,502	27	783	154	15	343	35	40	▲551	4,351
Operating Income	2,244	47	25	0	41	32	▲42	▲40	▲37	2,272
Other Income	▲10	3	13	1	0	▲1	0	▲4	▲15	▲14
Ordinary Income	2,234	51	38	0	41	30	▲42	▲44	▲53	2,258
Extraordinary gain/loss	▲124	100	0	-	-	-	-	-	125	101
Corporate income tax, etc.	838	-	8	-	0	0	-	-	▲31	815
Net Income	1,271	151	30	0	41	30	▲42	▲44	103	1,567

Profits by Qtr (Consolidation)



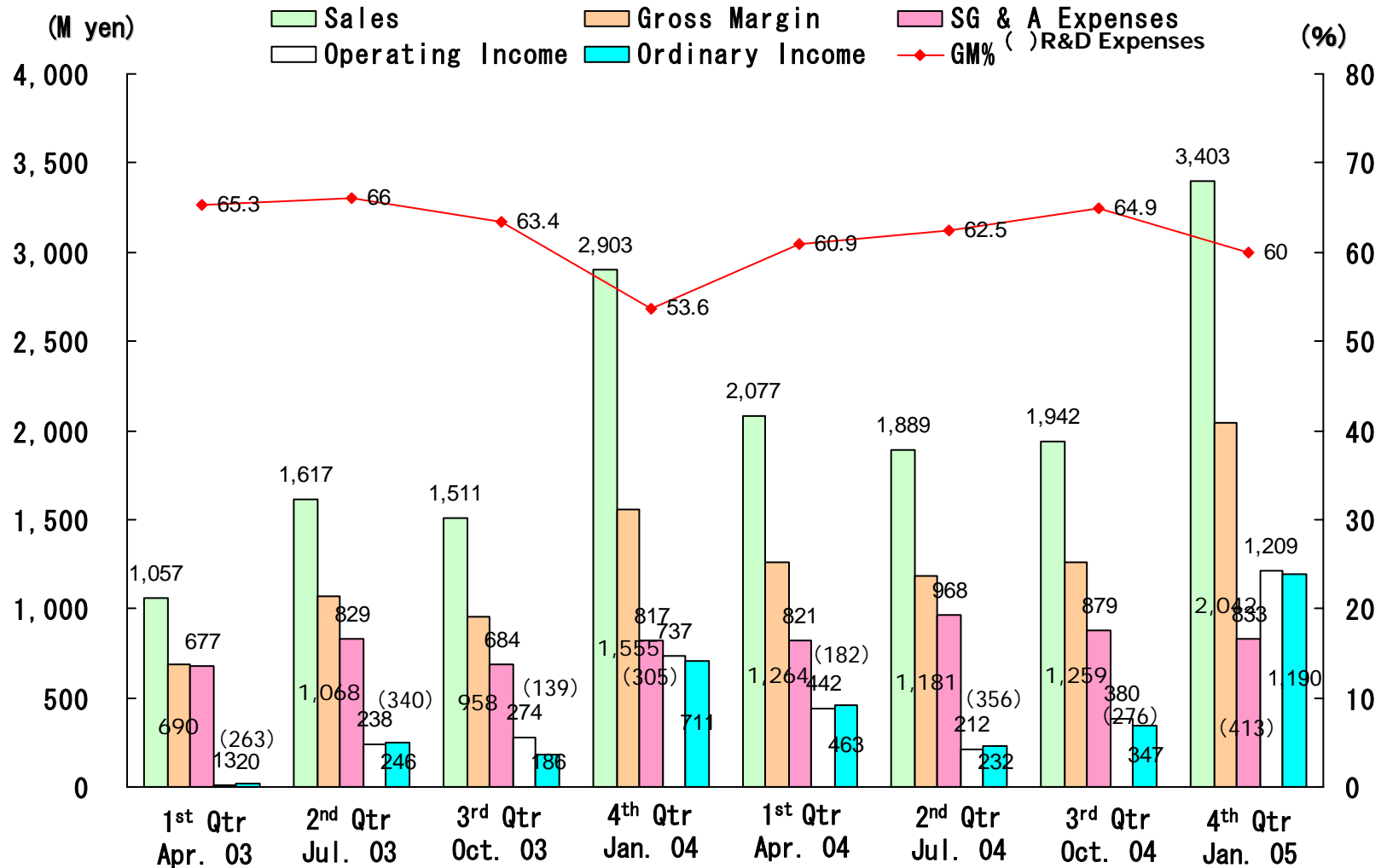
4th Qtr & Year-to-date Results (Non-consolidation)

(M yen)	05/4Qtr	04/4Qtr	Y-to-Y	04/YTD	03/YTD	Y-to-Y
Net Sales	3,403	2,903	17.2%	9,313	7,089	31.3%
Gross Margin	2,042	1,555	31.2%	5,747	4,273	34.4%
%	60.0%	53.6%	-	61.7%	60.3%	-
SG & A Expenses	833	817	1.8%	3,502	3,008	16.4%
Operating Income	1,209	737	63.8%	2,244	1,264	77.4%
Other Income	▲18	▲25	-	▲10	▲99	-
Ordinary Income	1,190	711	67.1%	2,234	1,164	91.8%
Extraordinary gain/loss	▲293	▲1,068	-	▲124	▲1,055	-
Corporate Income tax, etc.	319	▲279	-	838	▲276	-
Net Income	577	▲76	-	1,271	385	229.7%

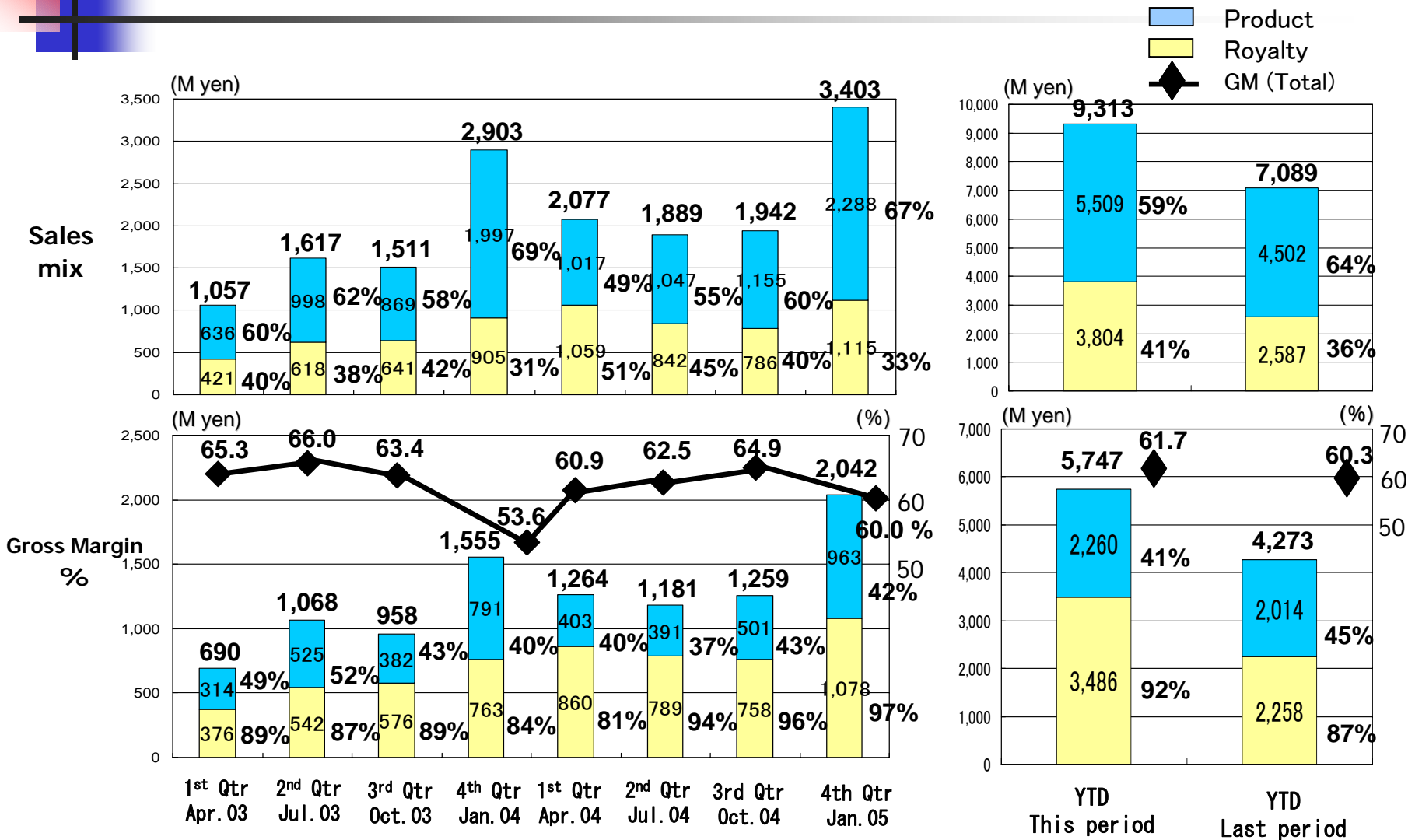
Profits by Qtr (Non-consolidation)

(M yen)	04/1Qtr	04/2Qtr	04/3Qtr	04/4Qtr	04/YTD	03/YTD	Y-to-Y
Net Sales	2,077	1,889	1,942	3,403	9,313	7,089	31.3%
Gross Margin	1,264	1,181	1,259	2,042	5,747	4,273	34.4%
%	60.9%	62.5%	64.9%	60.0%	61.7%	60.3%	-
SG & A Expenses	821	968	879	833	3,502	3,008	16.4%
Operating Income	442	212	380	1,209	2,244	1,264	77.4%
Other Income	21	19	▲32	▲18	▲10	▲99	-
Ordinary Income	463	232	347	1,190	2,234	1,164	91.8%
Extraordinary gain/loss	0	168	0	▲293	▲124	▲1,055	-
Corporate Income tax, etc.	227	144	147	319	838	▲276	-
Net Income	237	256	200	577	1,271	385	229.7%

Profits by Qtr (Non-consolidation)

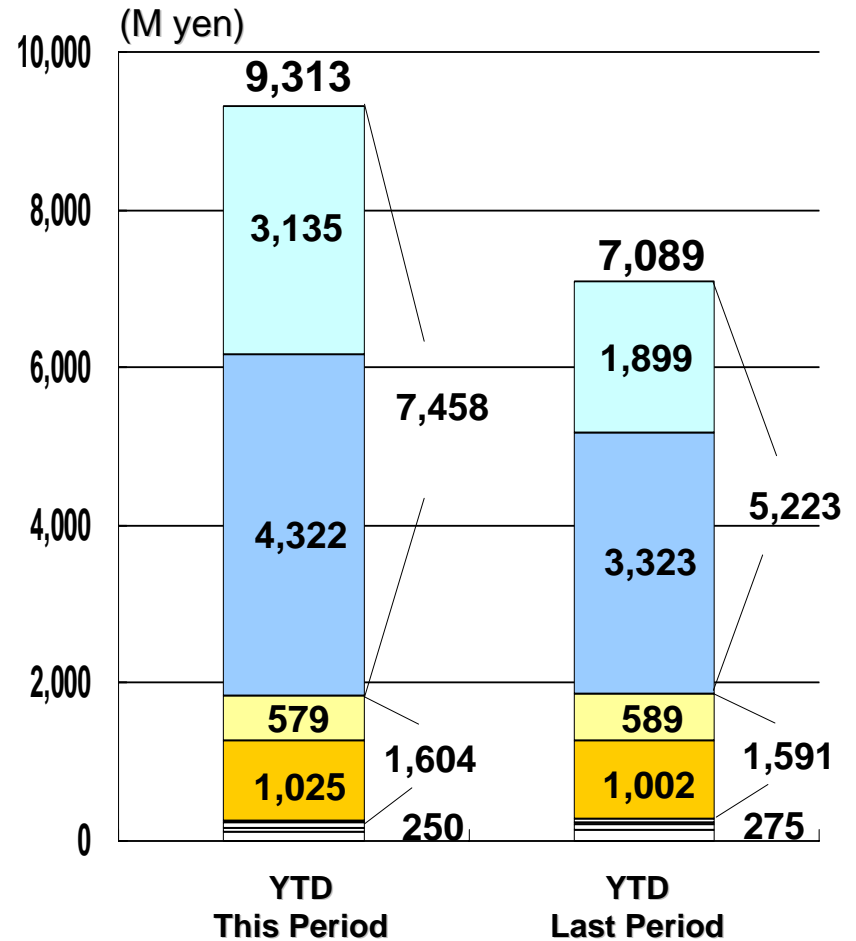
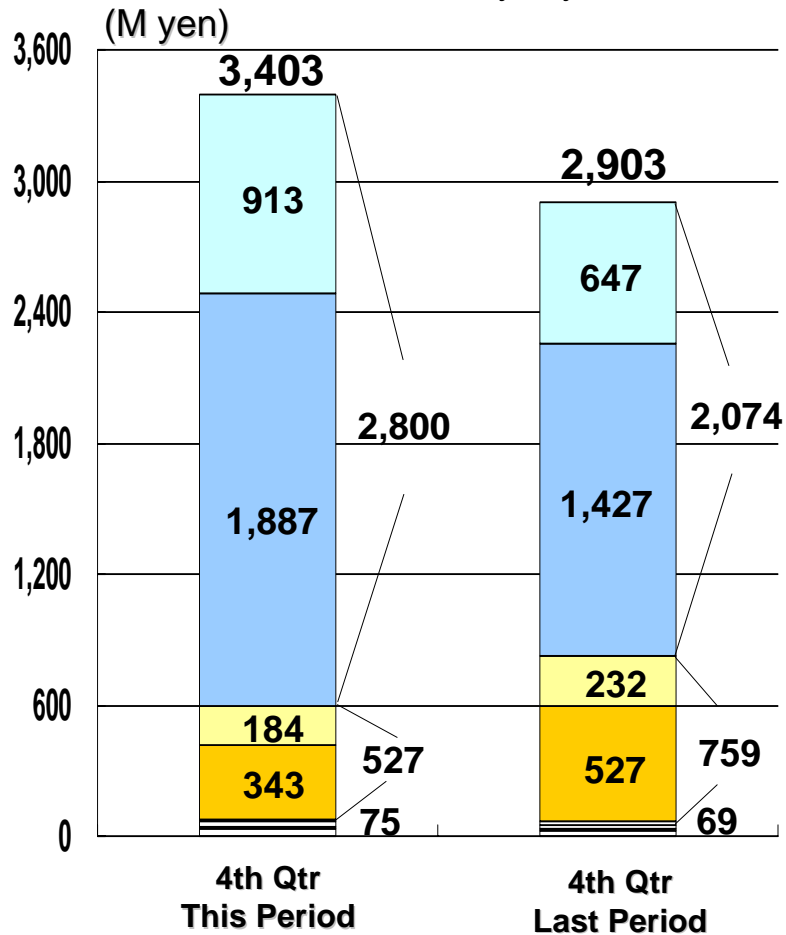


Sales & Gross Margin Results (Non-consolidation)

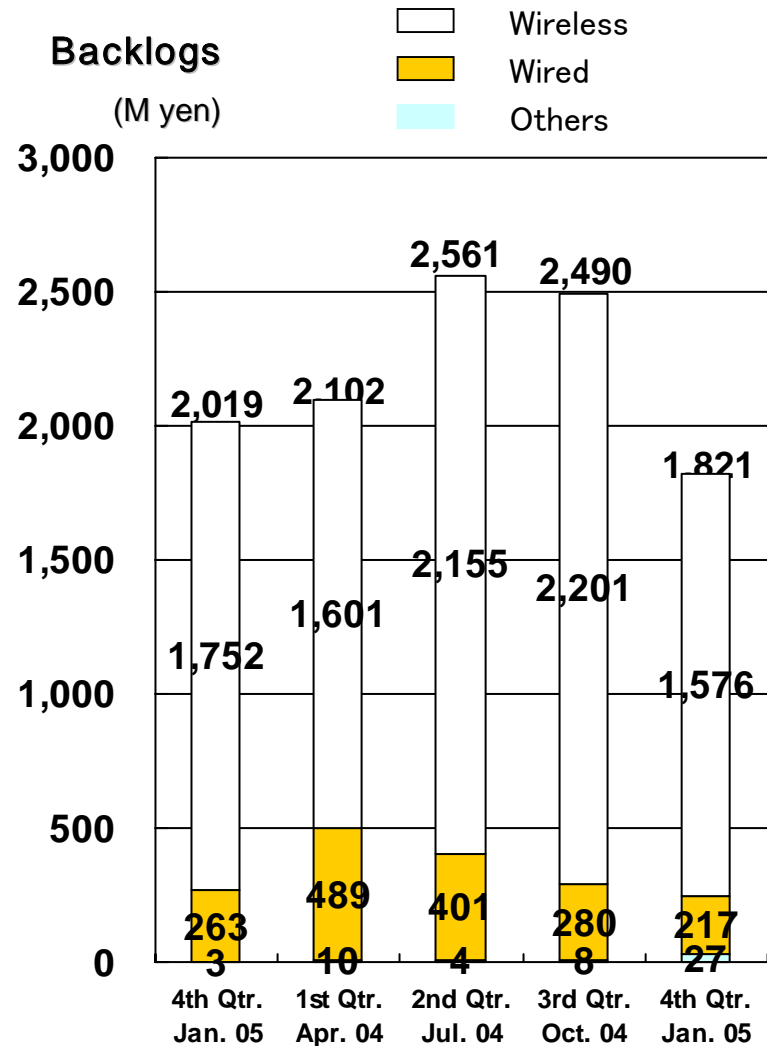
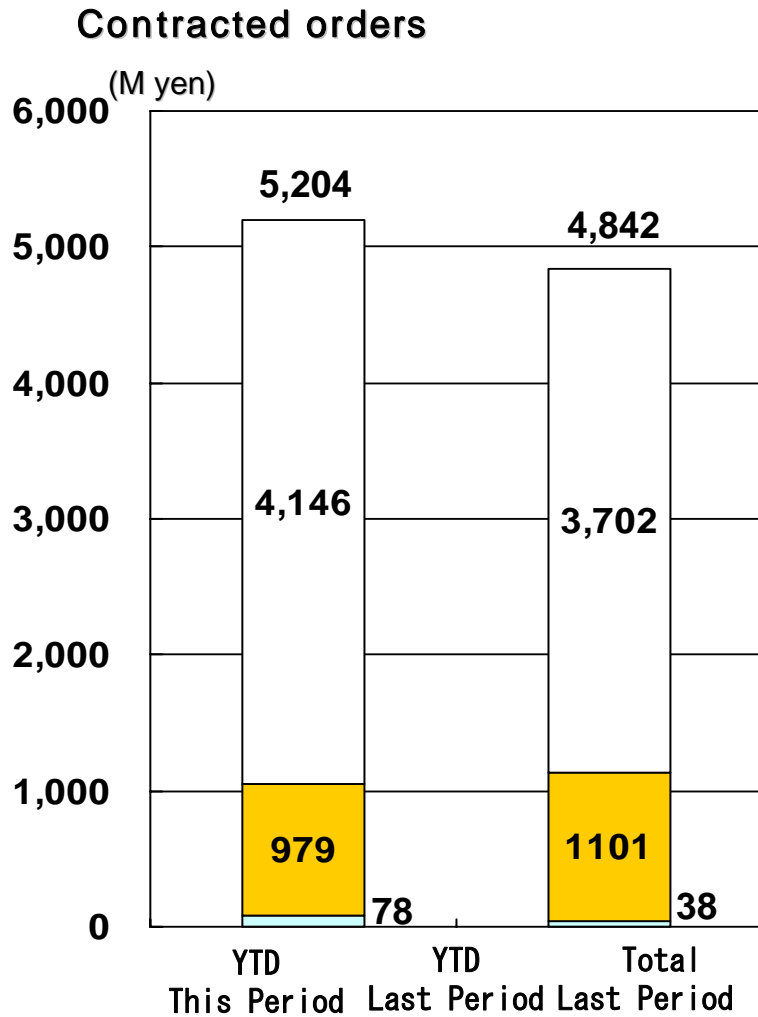


Sales by Category (Non-consolidation)

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

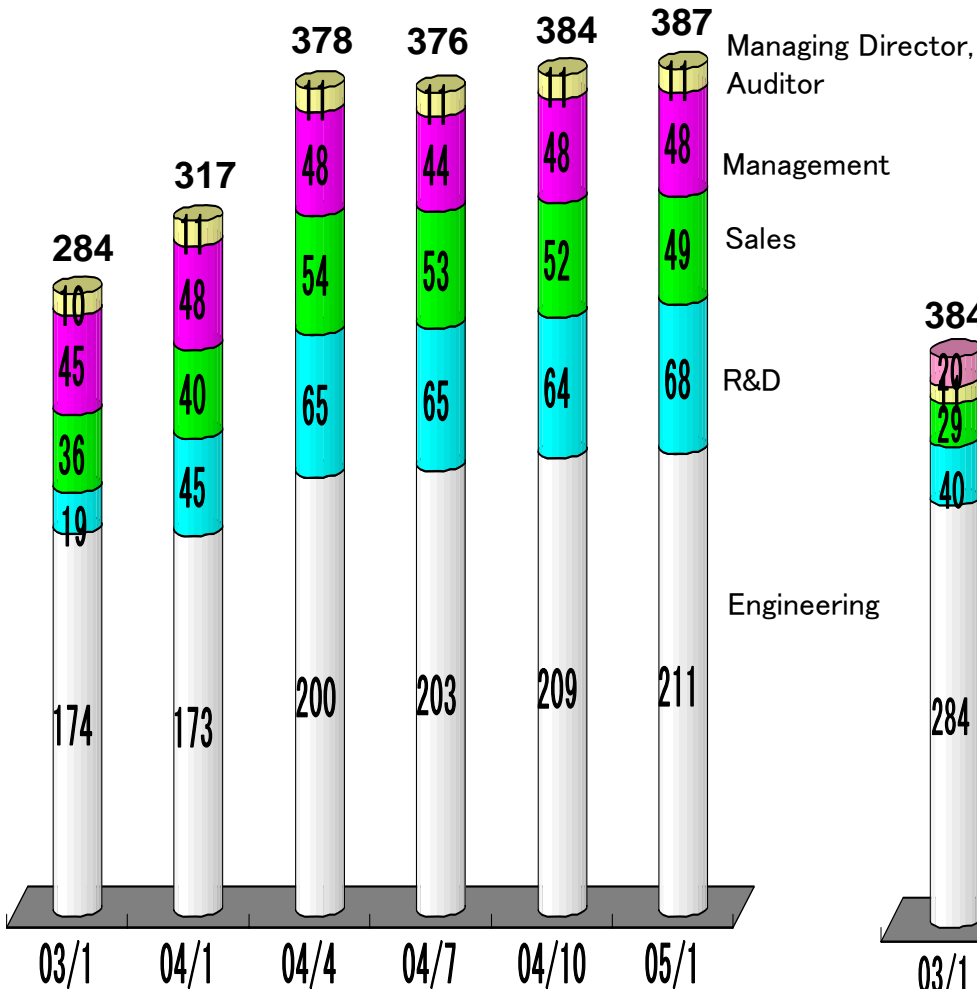


Contracted orders/Backlogs for NRE Fee (Non-consolidation)

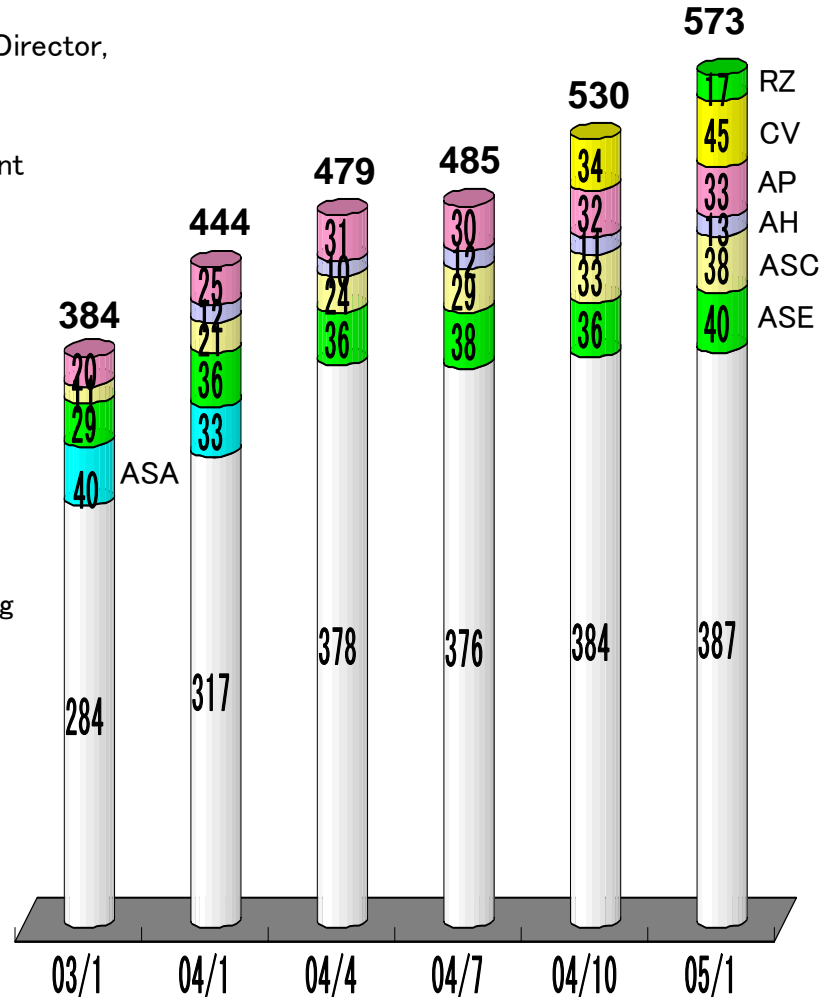


Employees Transition

Non-consolidation



Consolidation



Consolidated Balance Sheet

(M yen)	End of Jan. 05	End of Jan. 04	Y-to-Y
I . Current Assets			
Cash and Time Deposits	7,460	5,445	2,015
P-Note & A/R	3,100	2,365	734
Inventory	691	833	▲141
Others	549	306	243
II . Non-Current Assets			
Fixed Assets	729	722	6
Intangible Assets	602	545	57
Investment & Others	467	678	▲211
Total	13,601	10,897	2,704
I . Current Liabilities	1,984	1,871	113
II . Non-Current Liabilities	110	72	38
Minority Interests	168	2	165
III . Total Equity	11,337	8,950	2,386
Total	13,601	10,897	2,704

Balance Sheet (Non-consolidation)

(M yen)	End of Jan. 05	End of Jan. 04	Y-to-Y
I . Current Assets			
Cash and Time Deposit	6,494	4,865	1,628
P-Note & A/R	2,855	2,098	757
Inventory	577	724	▲147
Others	468	343	124
II . Non-Current Assets			
Fixed Assets	625	651	▲26
Intangible Assets	433	402	31
Investment & Others	1,505	1,706	▲201
Total	12,960	10,793	2,166
I . Current Liabilities			
	1,240	1,393	▲152
II . Non-Current Liabilities			
	250	67	182
III . Total Equity			
Total	11,469	9,332	2,136
Total	12,960	10,793	2,166

Consolidated Cash Flow

(M yen)	Q1 Apr. 2004	Q2 Jul. 2004	Q3 Oct. 2004	Q4 Jan. 2005	YTD This period	YTD Last period
I. Operating Activities	550	844	▲160	255	1,489	1,250
II. Investing Activities	▲331	119	▲50	222	▲38	▲876
III. Financing Activities	207	412	84	363	1,067	1,135
IV. Increase (Decrease) in Cash	419	1,394	▲132	833	2,516	1,489
V. Cash and cash equivalents at beginning of the year	4,105	4,525	5,920	5,787	4,105	2,616
VI. Cash and cash equivalents at end of the year	4,525	5,920	5,787	6,621	6,621	4,105

Pretax net income before
adjustment: 2,359 M yen
Increase in A/R: 726 M yen

Proceeds from stock issuance:
864 M yen

Forecast of Financial Results
(Feb. 2005 - Jan. 2006)

Forecast of Financial Results (Consolidation)

(M Yen)	1 st Half (Forecast)	Total (Forecast)	Last Term (Actual)	Difference (%)
Net Sales	5,390~5,750	14,940~15,940	11,347	3,593~4,593 (31~40%up)
Ordinary Income	770~900	3,700~4,200	2,258	1,442~1,942 (63~86%up)
Net Income	430~500	2,240~2,540	1,567	673~973 (42~62%up)

Forecast of Financial Results by Each Subsidiary Company

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(M yen)	ACCESS	ASE	ASC	AH	AP	CV	RZ	Adjust.	Consolidation
Net Sales	12,380~ 13,080	1,250~ 1,350	380~ 480	170	1,160~ 1,260	170	70	▲640	14,940~ 15,940
Ordinary Income	3,830~ 4,200	40~80	0~20	40	30~60	▲80	▲120	▲40~0	3,700~ 4,200
Net Income	2,370~ 2,540	40~80	0~20	40	30~60	▲80	▲120	▲40~0	2,240~ 2,540



Forecast of Financial Results (Non-Consolidation)

(M yen)	1st Half (Forecast)	Total (Forecast)	Last Period (Actual)	Difference (%)
Net Sales	4,280~4,520	12,380~13,080	9,313	3,067~3,767 (32~40%up)
Ordinary Income	880~1,020	3,830~4,200	2,234	1,596~1,966 (71~88%up)
Net Income	500~580	2,370~2,540	1,271	1,099~1,269 (86~99%up)

Guideline for 1st Qtr

Consolidation

(M yen)	Range		(Last Period)	Assumption	Unconfirmed Elements
	1st Qtr				
Net Sales	2,520 ~	2,620	(2,736)	·ASE : Estimation of International i-mode sales is same as last period	·Degree of penetration for International i-mode Sales
Operating Income	300 ~	380	(551)	·ASC : China Unicom deal contributes to our sales after 2nd Qtr	·Degree of penetration for MMS Service in China
Ordinary Income	300 ~	380	(569)	·AP : Estimation of the publication sales & Digital Contents sales is slightly better than Last Period	·Timing of contribution to sales for Digital Contents
Net Income	150 ~	195	(313)		

Non Consolidation

(M yen)	Range		(Last Period)	Assumption	Unconfirmed Elements
	1st Qtr				
Net Sales	2,000 ~	2,140	(2,077)	· Sales mix (Forecast in this whole year) Product: Royalty=59:41	· Impact for royalty by sales of new mobile phone such as 3G, etc.
Operating Income	450 ~	520	(442)	· GM (Forecast in this whole year) 42-46%	· Decreasing GM% of products for new business with new partner's
Ordinary Income	450 ~	520	(463)	· Expense ratio of sales (Forecast in this whole year) 34%	
Net Income	270 ~	310	(237)		