Fiscal 2022 Financial Results Materials
Fiscal Year Ended January 31, 2023 (39th Fiscal Year)

ACCESS CO., LTD. (4813)

March 2023

Agenda

1. Financial Results for FY2022
   Fiscal Year Ended January 31, 2023
   (39th Fiscal Year)

2. Financial Forecast for FY2023 and
   Medium-term Plan

3. Business Overview

4. Appendix

FY2022 Executive Summary

Net sales JPY **13,060** million YoY **+32.5**%

Operating profit JPY **(1,707)** million YoY **+1,512** million

・Record-high net sales in the Network Business

・Improved profitability in all segments and halved deficit

01

Financial Results for FY2022
Fiscal Year Ended January 31, 2023 (39th Fiscal Year)

Consolidated Results: Comparison with Forecasts
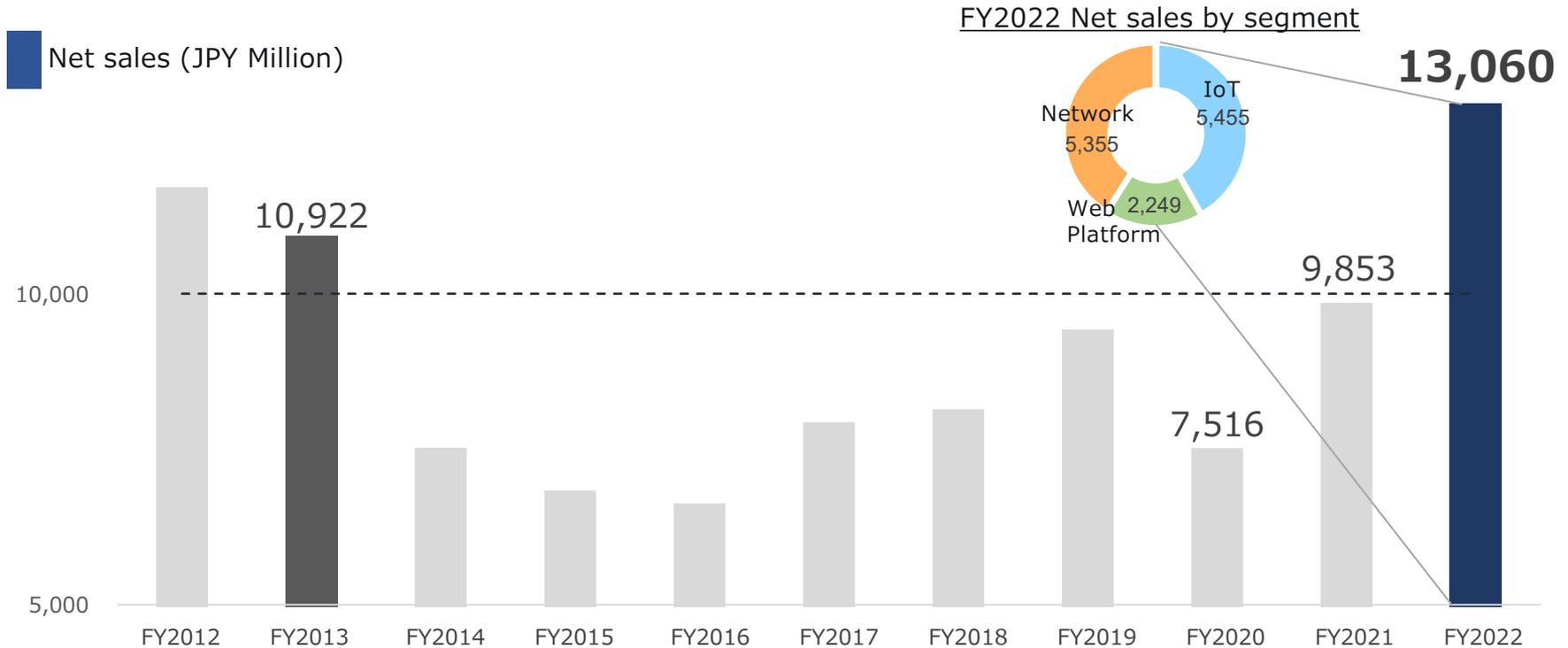
- Net sales and ordinary profit achieved initial forecasts
- Excluding the impact of exchange rate fluctuations on operating profit and extraordinary loss on profit and loss, forecasts were achieved

(JPY Million)	FY2022 Forecast	FY2022 Results	Cause
Net sales	11,800	**13,060**	
Operating profit	(1,500)	**(1,707)**	Impact of exchange rate fluctuations of (359)
Ordinary profit	(1,550)	**(1,337)**	
Profit attributable to owners of parent	(1,750)	**(2,684)**	Extraordinary loss of (1,196)
EBITDA*	1,929	**2,337**	

*: EBITDA=Operating profit + Depreciation and Amortization + Amortization of Goodwill. Forecasts are excerpts from FY2021 financial results materials.
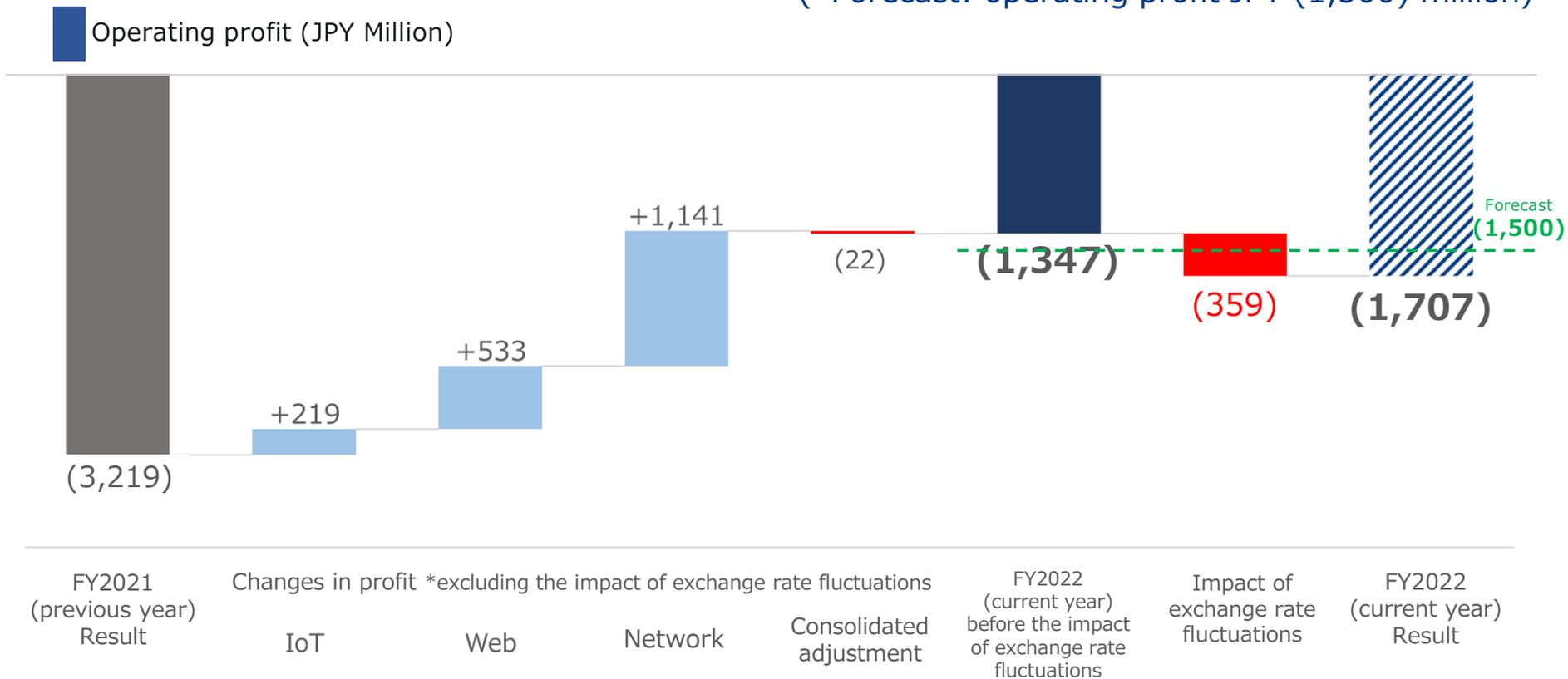
Sales Trends

- Achieved the highest net sales in 10 years and surpassed JPY 10 billion for the first time in nine fiscal years
- Escaped the stagnation caused by COVID-19 and expanded the Network Business

FY2022 Net sales by segment

Net sales (JPY Million)

Network 5,355
IoT 5,455
Web Platform 2,249

13,060

10,922

9,853

7,516

10,000

5,000

FY2012 FY2013 FY2014 FY2015 FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022

YoY Changes in Operating Profit

Excluding the impact of exchange rate fluctuations, consolidated operating profit was in line with the initial forecast*

(*Forecast: operating profit JPY (1,500) million)

- Operating profit (JPY Million)

						Forecast (1,500)

Chart values:
- FY2021 (previous year) Result: (3,219)
- IoT: +219
- Web: +533
- Network: +1,141
- Consolidated adjustment: (22)
- FY2022 (current year) before the impact of exchange rate fluctuations: (1,347)
- Impact of exchange rate fluctuations: (359)
- FY2022 (current year) Result: (1,707)

Changes in profit *excluding the impact of exchange rate fluctuations
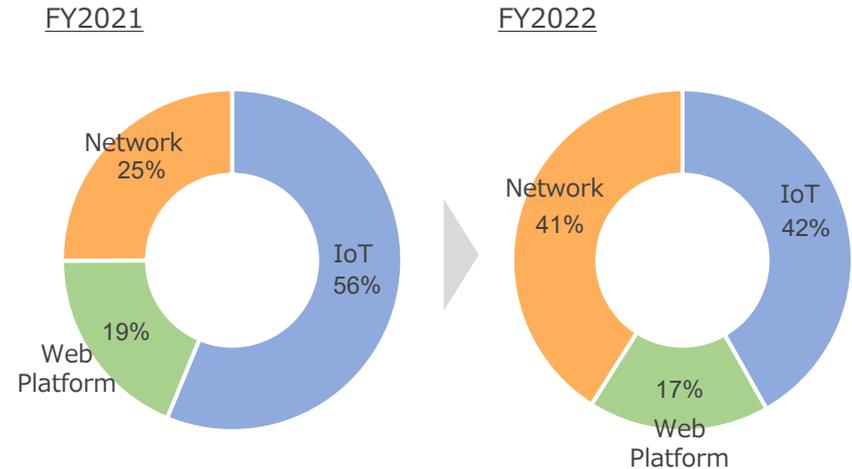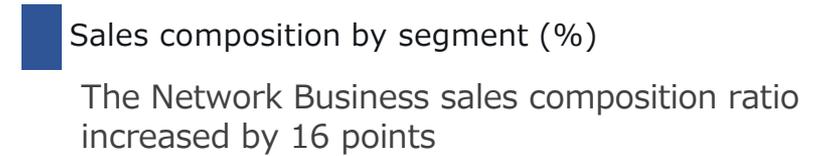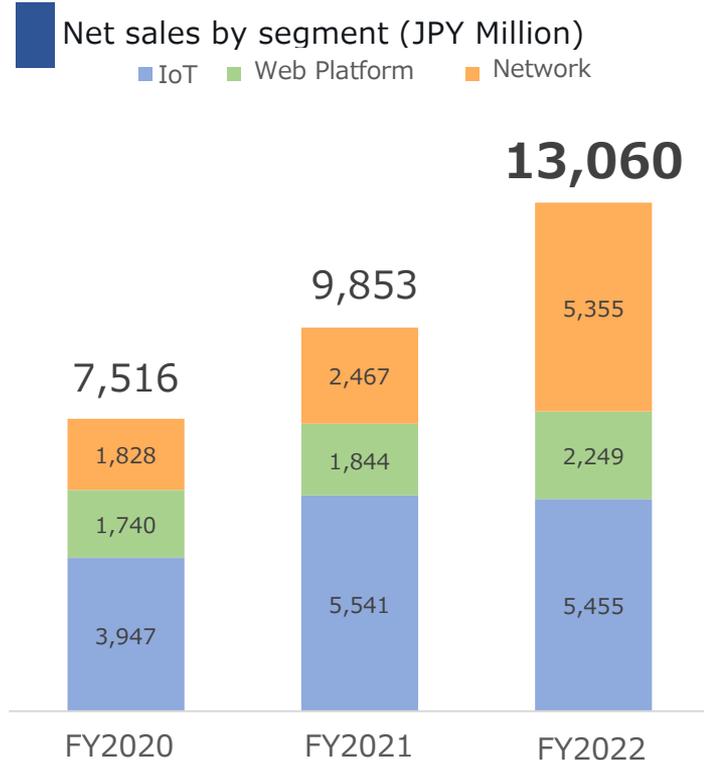
EBITDA

The EBITDA margin improved sharply from 8.8% in the previous fiscal year to 17.9% in the current fiscal year

(JPY Million)	FY2021	FY2022	YoY
Net sales	9,853	13,060	+3,206 / **+32.5%**
Operating Profit	(3,219)	(1,707)	+1,512 / —
EBITDA*	869	2,337	+1,467 / **+168.8%**
EBITDA margin	8.8%	17.9%	+9.1pt

*: EBITDA=Operating profit + Depreciation and Amortization + Amortization of Goodwill

Net sales of the Network Business grew rapidly by 2.2 times YoY

Net sales by segment (JPY Million)

IoT ■ Web Platform ■ Network

Sales composition by segment (%)

The Network Business sales composition ratio increased by 16 points

Bar chart — Net sales by segment (JPY Million):

FY2020 — Total 7,516: IoT 3,947, Web Platform 1,740, Network 1,828
FY2021 — Total 9,853: IoT 5,541, Web Platform 1,844, Network 2,467
FY2022 — Total 13,060: IoT 5,455, Web Platform 2,249, Network 5,355

Donut charts — Sales composition by segment:

FY2021: IoT 56%, Web Platform 19%, Network 25%
FY2022: IoT 42%, Web Platform 17%, Network 41%

IoT Business Results Overview

■ Net sales and segment profit (JPY Million)

■ IoT　■ Other　●— Operating profit
(Digital Publishing, Taiwan, etc.)

|	FY2020	FY2021	FY2022
Total	3,947	5,541	**5,455**
IoT	2,152	2,434	2,791
Operating profit	(884)	(126)	**66**

Sales fluctuated in each field, but profitability improved and the segment turned profitable.

IoT Field
- Steady growth in sales of mainstay IoT professional services* underpinned profits
  *Custom-made development projects

Other
- Sales in Digital Publishing saw reactionary decrease due to the conclusion of a licensing agreement in the previous fiscal year
- On the other hand, there has been progress in improving business profitability

Web Platform Business Results Overview

Net sales and segment profit (JPY Million)

Japan　Europe　China & South Korea　Operating profit
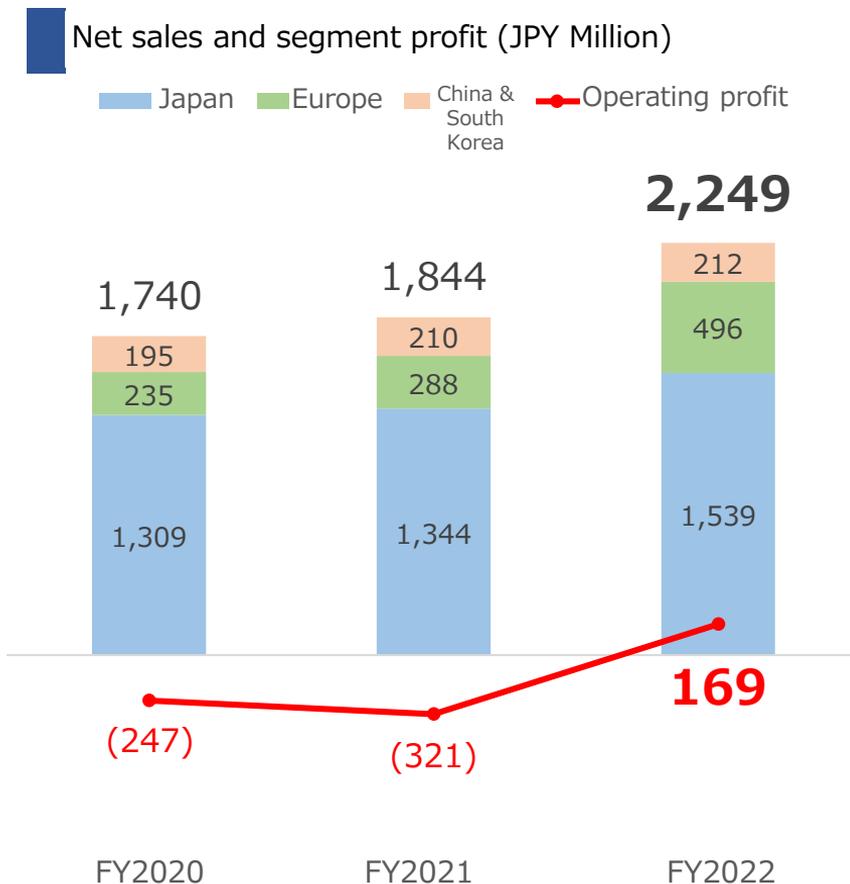
Recovery trend in Europe due to global cooperation, and a return to segment profitability due to increased sales

Japan

・ Shipments of final products equipped with browsers for both TV and in-vehicle fields were firm
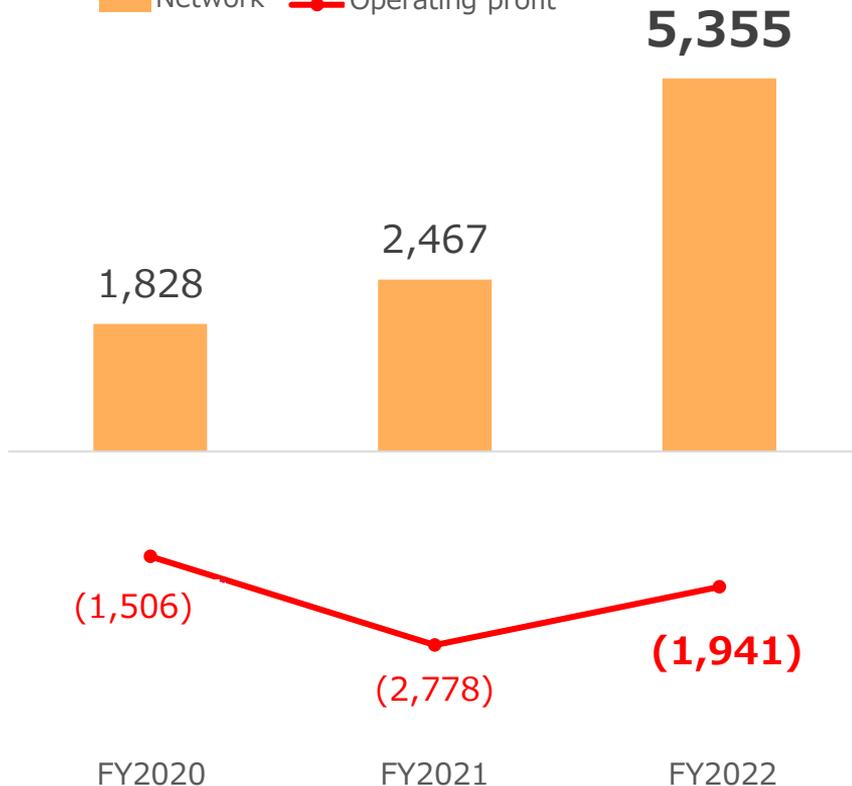
Europe

・ Gradual increase in orders for in-vehicle infotainment projects

Network Business Results Overview

■ Net sales and segment profit (JPY Million)

5,355

2,467

1,828

(1,506)

(2,778)

(1,941)

FY2020   FY2021   FY2022

Network   Operating profit

Business growth of OcNOS®, a Network OS for white box, and record-high segment net sales

Network Business

・Strategy to focus on Tier 2/3 telecommunications carriers was successful, leading to steady growth in number of customers, orders received, and unit price

・There was a demand for bundle provision (procurement) with hardware, contributing to an increase in sales

・Yen-denominated net sales and expenses increased due to the impact of exchange rate fluctuations

02

Financial Forecast for FY2023 and Medium-term Plan

Maintain sales growth and return to profitability for the first time in four fiscal years

** As stated in our press release "Notice Regarding the Company's Response to the Bankruptcy of Silicon Valley Bank in the United States" announced today, the consolidated financial Forecast for FY2023 has been calculated based on the assumption that the effect of this event on the Group is insignificant as of this moment.

(JPY Million)	FY2022	FY2023	YoY
Net sales	13,060	**15,500**	+2,439 / +18.7%
Operating profit	(1,707)	**500**	+2,207 / —
Ordinary profit	(1,337)	**450**	+1,787 / —
Profit attributable to owners of parent	(2,684)	**270****	+2,952 / —
EBITDA*	2,337	**3,900**	+1,562 / +66.8%

*: EBITDA=Operating profit + Depreciation and Amortization + Amortization of Goodwill

Segment Forecast for FY2023

The Network Business will drive sales growth and eliminate segment deficit

| (JPY Million)		FY2022	FY2023	YoY
IoT Business	Net sales	5,455	6,130	+674 / +12.4%
	Segment profit	66	280	+213 / +324.0%
Web Platform Business	Net sales	2,249	2,530	+280 / +12.5%
	Segment profit	169	220	+50 / +29.6%
Network Business	Net sales	5,355	6,840	+1,484 / **+27.7%**
	Segment profit	(1,941)	0	+1,941 / —

Medium-term Vision

Target figures for FY2026
Net sales: JPY 25 billion to JPY 31 billion, Operating profit margin: around 25%

Net sales (JPY Million)

- IoT
- Web Platform
- Network

	FY2021	FY2022	FY2023	FY2026
Total	9,853	13,060	15,500	31,000 to 25,000
Network	2,467	5,355	6,840	
Web Platform	1,844	2,249	2,530	
IoT	5,541	5,455	6,130	

Operating profit (JPY Million)

- IoT
- Web Platform
- Network

Operating profit margin of around **25%**

	FY2021	FY2022	FY2023
Total	**(3,219)**	**(1,707)**	**500**
IoT	(126)	169	220
Web Platform	(321)	66	280
Network	(2,778)	(1,941)	

Composition of sales and operating profit in the future

Network Business will drive the growth of operating profit after it exceeds the break-even point.

- In FY2026, Network Business sales will account for more than half of consolidated net sales and 70% or more of operating profit

Net sales

Operating profit

FY2022

IoT 42%

Web Platform 17%

Network 41%

Deficit

FY2026

37%

11%

52%

8%

17%

75%
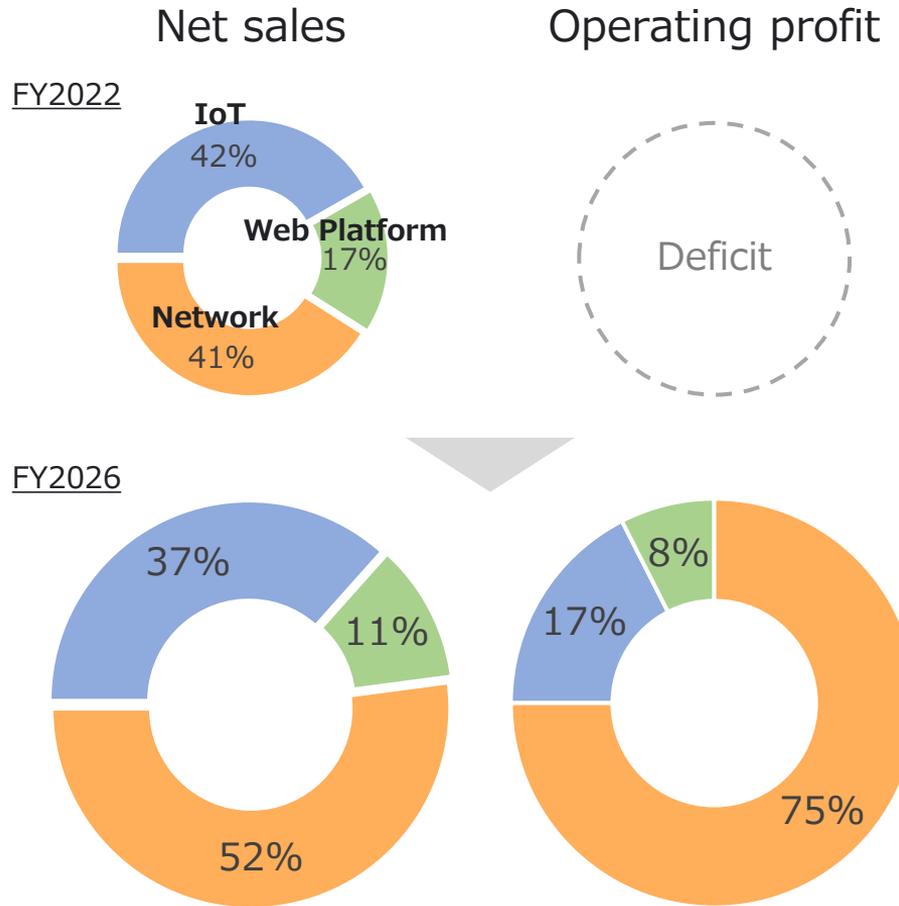
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Business Overview

Business Composition

IoT Business

- Developing our own products and services in the medium- to long-term with a focus on IoT professional services

- Capable of providing one-stop services for telecommunication, cloud, applications, etc., leveraging our strength in technology/architecture examination

Network Business

- Started business by providing software for network switches*
  *Equipment for communication between networks

- Strength in technological capabilities and achievements in providing carrier-quality software

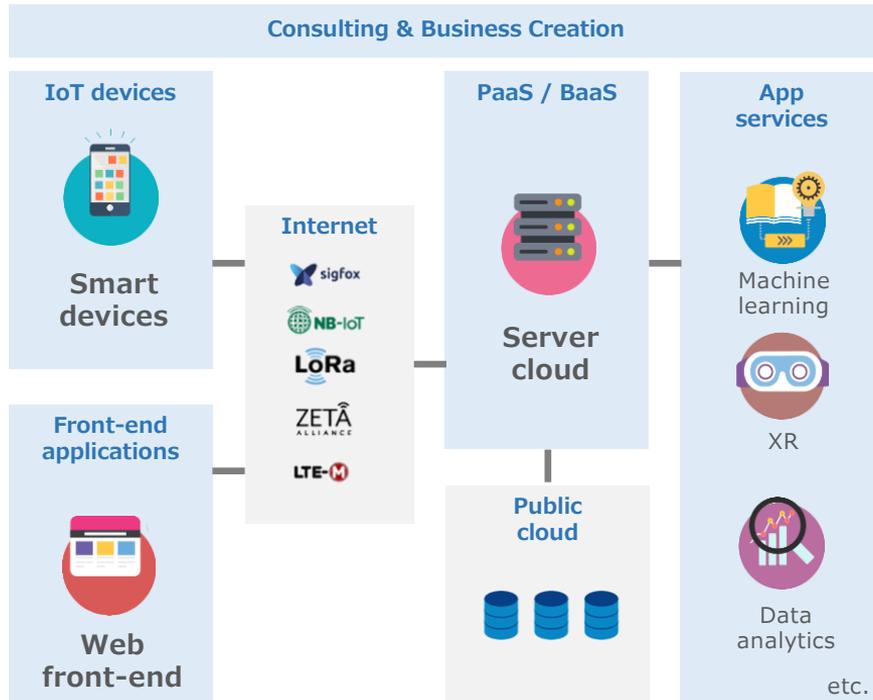- Focus on business development of network OS OcNOS® for white box, which separates software and hardware
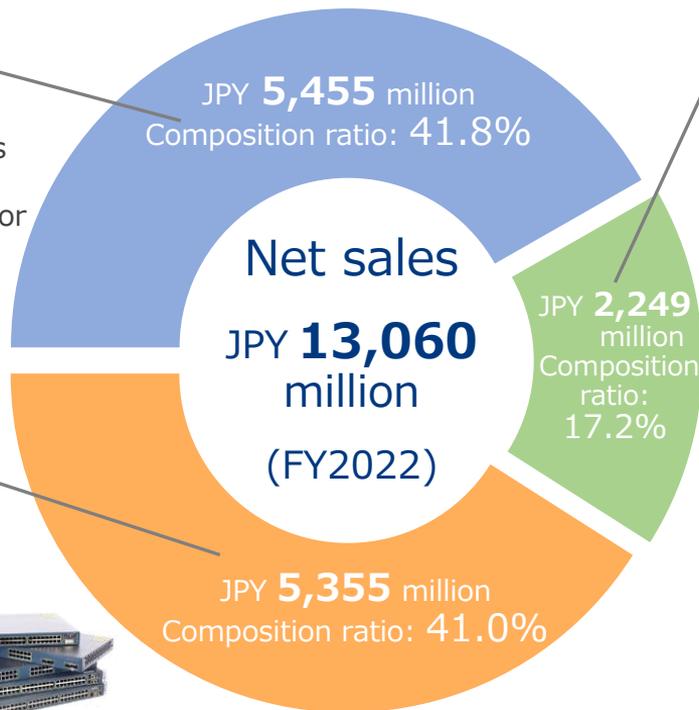
Web Platform Business

- Business development centered on the embedded browser "NetFront® Browser" series, which has established itself as the de facto standard with a track record of being installed in over 1.5 billion devices

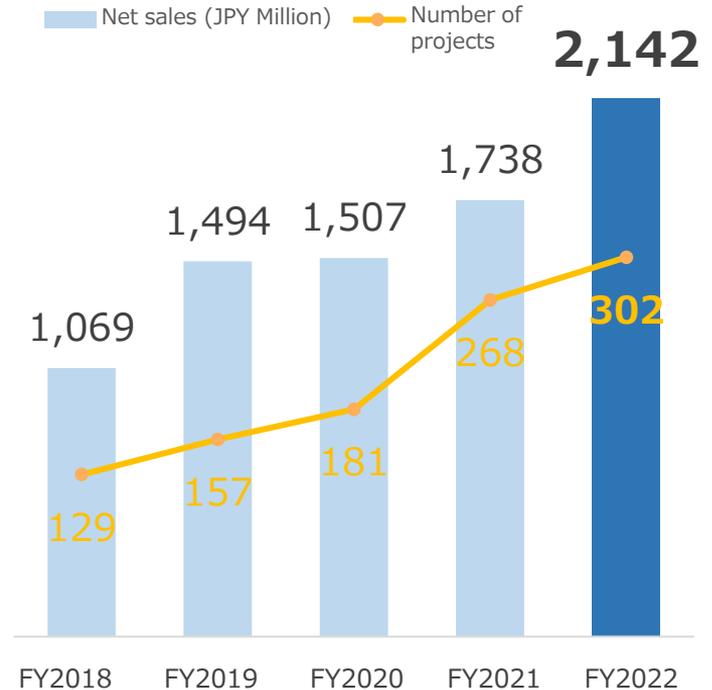- Main markets are TV and in-vehicle infotainment

Net sales
JPY **13,060** million
(FY2022)

JPY **5,455** million
Composition ratio: 41.8%

JPY **2,249** million
Composition ratio: 17.2%

JPY **5,355** million
Composition ratio: 41.0%

ip infusion™
An ACCESS Company

Business expansion centered on high-value added professional services that provide one-stop services for devices, cloud, and apps

Our features and areas of expertise

Consulting & Business Creation

IoT devices

Smart devices

Internet

sigfox

NB-IoT

LoRa

ZETA ALLIANCE

LTE-M

Front-end applications

Web front-end

PaaS / BaaS

Server cloud

Public cloud

App services

Machine learning

XR

Data analytics

etc.

Trends in IoT professional services results

Net sales (JPY Million)　Number of projects

2,142

FY2018	FY2019	FY2020	FY2021	FY2022
1,069	1,494	1,507	1,738	2,142
129	157	181	268	302

Business expansion from providing browser components to becoming a content distribution platform

Track record of browser provision

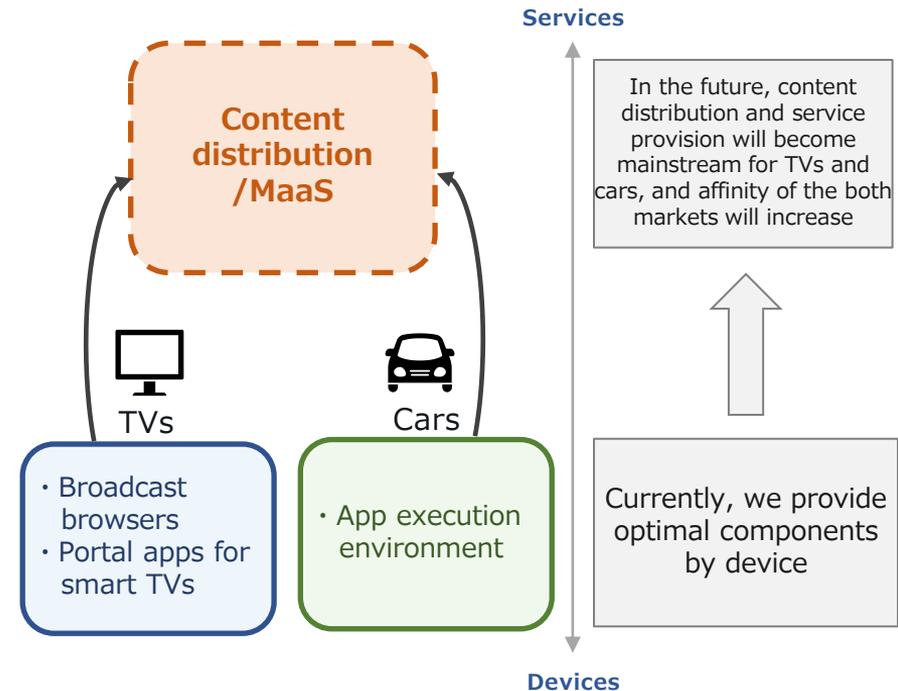**Smart TVs**

Connected cars

Game consoles

Industrial equipment

- About 80% of TVs in Japan are equipped with some kind of ACCESS product
- Track record of doing business with four of the world's top 10 automotive manufacturers in the in-vehicle field

Business outlook

Services

Content distribution /MaaS

TVs

Cars

In the future, content distribution and service provision will become mainstream for TVs and cars, and affinity of the both markets will increase

- Broadcast browsers
- Portal apps for smart TVs

- App execution environment

Currently, we provide optimal components by device

Devices

Focusing on market development by providing network OS OcNOS® as a leading company in white box solutions

What is white box?

- A network switch in which software and hardware are procured separately, in contrast to conventional network switches that are provided with integrated software and hardware

Appeal of white box to users (telecommunication carriers, data center operators, etc.)
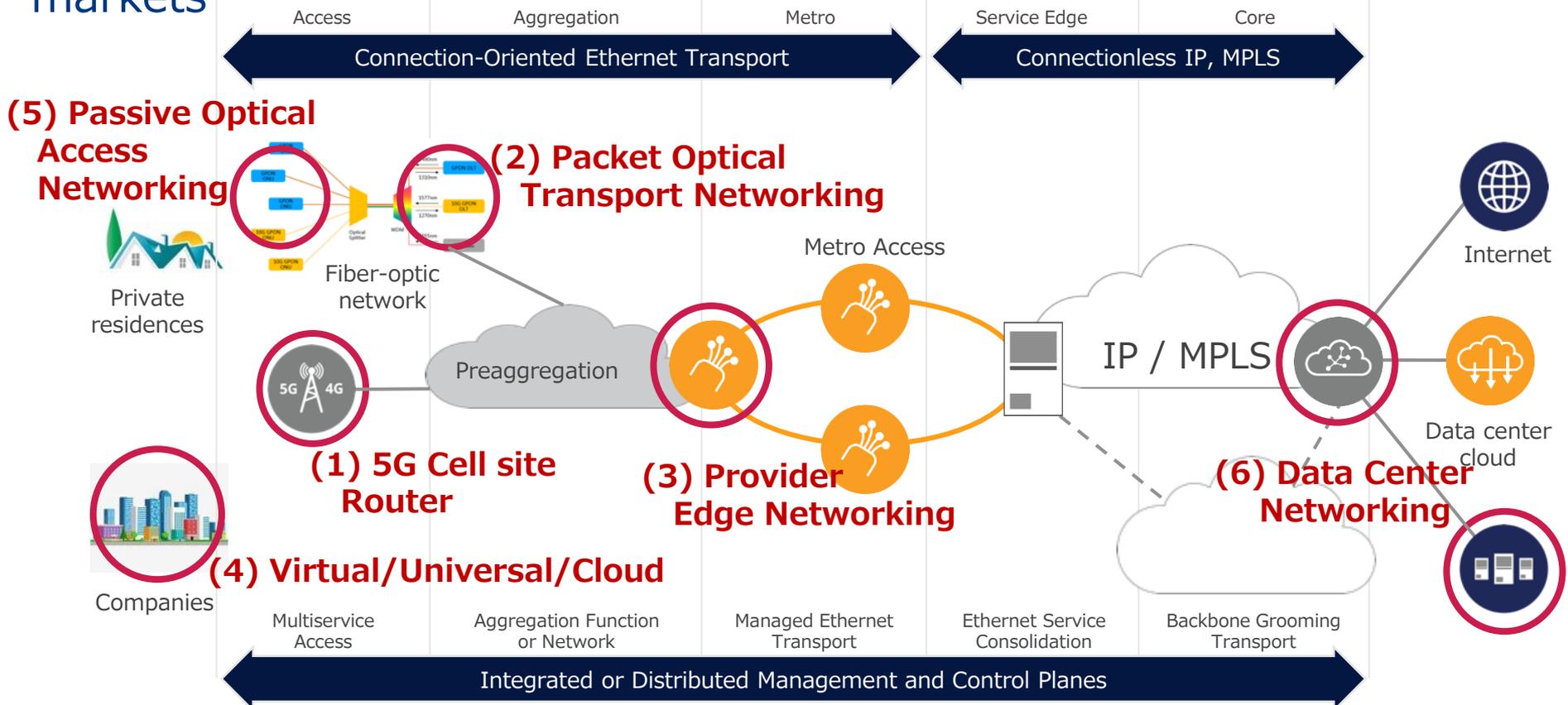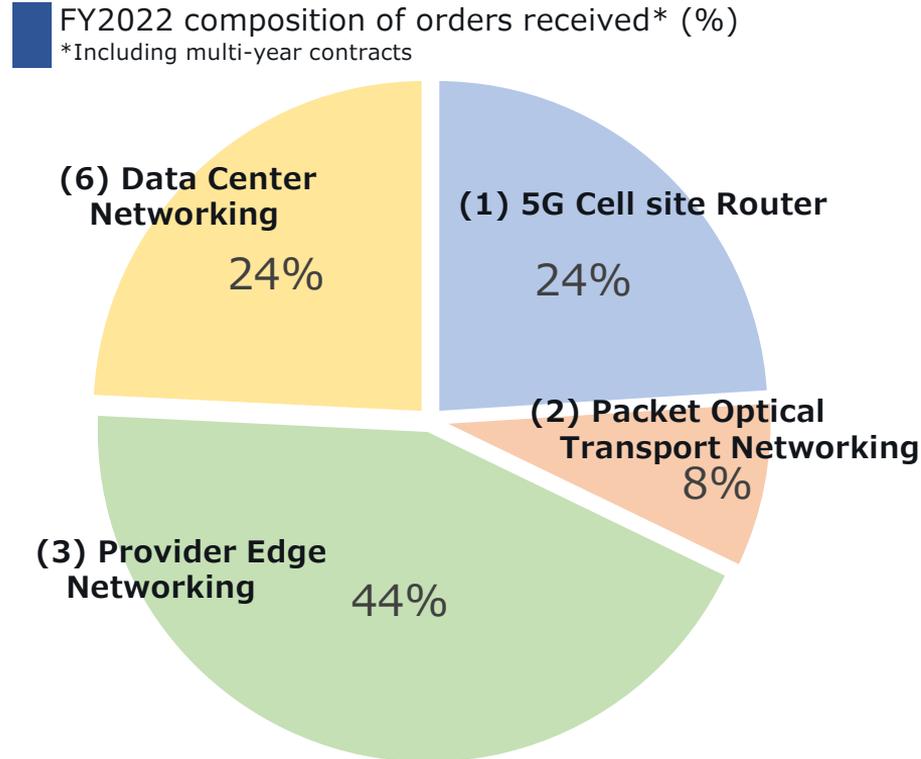
Cost reductions

Greater flexibility in operations

Net sales by region (JPY Million)

Other
29

North America
1,684

Japan
1,202

Segment net sales
JPY **5,355** million

FY2022

Asia
718

Europe
1,720
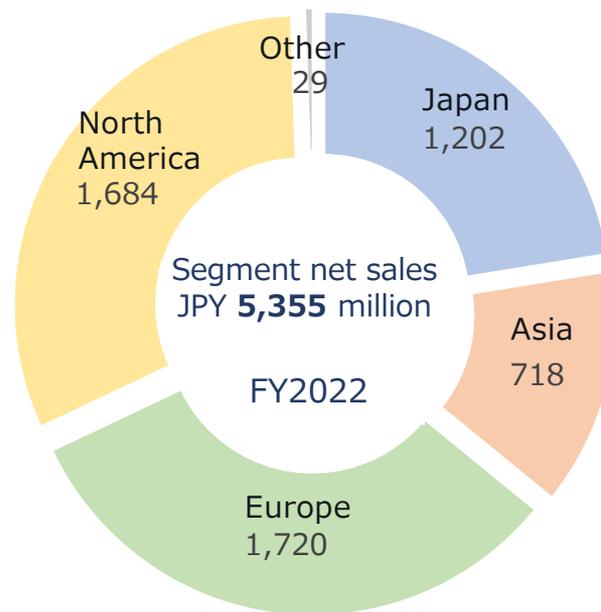
Covering a wide range of use cases with (1) to (6) as the main target markets

Access	Aggregation	Metro	Service Edge	Core

Connection-Oriented Ethernet Transport

Connectionless IP, MPLS

(5) Passive Optical Access Networking

(2) Packet Optical Transport Networking

Internet

Fiber-optic network

Private residences

Metro Access

Preaggregation

IP / MPLS

Data center cloud

(1) 5G Cell site Router

(3) Provider Edge Networking

(6) Data Center Networking

(4) Virtual/Universal/Cloud

Companies

Multiservice Access	Aggregation Function or Network	Managed Ethernet Transport	Ethernet Service Consolidation	Backbone Grooming Transport

Integrated or Distributed Management and Control Planes

By solution, white box is spreading into Provider Edge Networking, 5G Cell Site Router and Data Center

FY2022 composition of orders received* (%)
*Including multi-year contracts

(6) Data Center Networking
24%

(1) 5G Cell site Router
24%

(2) Packet Optical Transport Networking
8%

(3) Provider Edge Networking
44%

The number of orders received / the amount of orders received

- 2022 was affected by a decrease in semiconductor shipments in the first half of the year, but recovered in the second half
- Steady growth in the number of orders received, the total value of orders received, and the unit price of orders received

■ Number of orders received

■ Amount of orders received*(USD mil.)
*Including multi-year contracts

Annual number of orders received increased from **379** to **428**

Annual amount of orders received increased by **94**% from **23.9**mil to **46.4**mil

	2020	2021	2022
Number of orders received	207	379	428

	2020	2021	2022
Amount of orders received	13.5	23.9	46.4
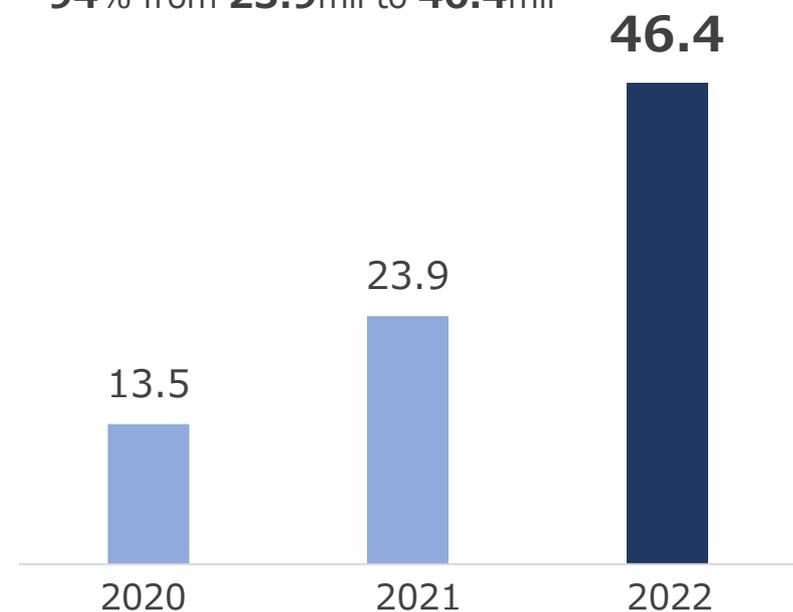
Potential project amount of 163mil USD at the end of 2022 (total of inquiries, etc.)
66% increase in one year, 2.7 times higher than two years ago

- Project pipeline (USD mil.)

163

+66%

98

60

| Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. |

2021

2022

04

Appendix

SDGs/ESG-related Initiatives
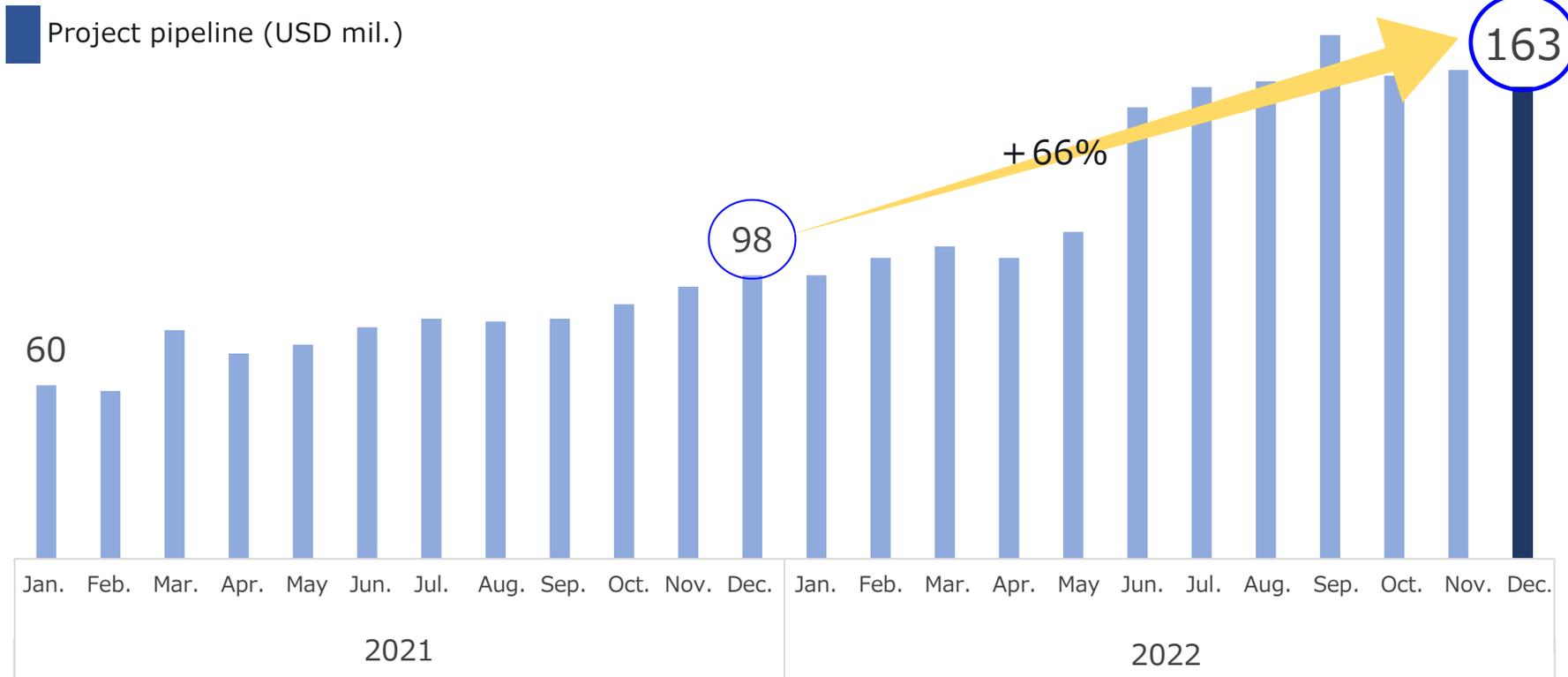
Basic Policy	Based on our vision statement of being an independent research and development oriented company that continuously innovates globally with technology, intelligence, creativity and audacity, we aim to contribute to social transformation and new value creation by continuing to develop and provide technologies and products that support IoT. Moreover, we have built a globally scaling business model that does not suffer from galapagosization, aiming to improve corporate value. We will continue to work to realize these goals, incorporate Sustainable Development Goals (SDGs) and ESG into our management, and promote initiatives to realize a sustainable society.

Classification	Main initiatives	Related SDGs/ESG
【Environment】 Through our business activities, we will contribute to the realization of a sustainable society that balances social and economic development with the maintenance and conservation of the global environment by promoting initiatives aimed at resolving various social issues, including environmental load reduction	**Initiatives to reduce greenhouse gas emissions and conserve energy** ・Disclose climate-related information based on TCFD recommendations (in preparation) ・Reduce the environmental load of offices ・Comply with environment-related laws and regulations and provide education **Initiatives through business** ・Contribute to the move towards no paper with viewer technology ・Develop energy management solutions ・Promote the introduction of white box solutions to data centers and develop low-power switches and routers, etc.	7 AFFORDABLE AND CLEAN ENERGY / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 13 CLIMATE ACTION
【Social】 We will formulate a basic policy for human resource management and a basic policy for intellectual property in order to realize our corporate philosophy	**Initiatives related to human capital** ・Respect for human rights ・Promote diversity ・Develop human resource and create comfortable working environments ・Implement initiatives for health and safety **Initiatives related to intellectual property** ・Build a system for managing and promoting intellectual property ・Respect for the intellectual property of other companies ・Provide continuous education on intellectual property	3 GOOD HEALTH AND WELL-BEING / 5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
【Governance】 We will implement measures to strengthen and enhance governance in order to improve corporate value	・Build a system to strengthen corporate governance ・Implement periodical evaluations of the effectiveness of the Board of Directors ・Establish a decision process for executive remuneration that ensures fairness and transparency ・Enhance internal control through the implementation of company-wide risk identification and monitoring by the Compliance and Risk Management Committee ・Establish various reporting desks	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Disclaimer

- Forward-looking statements contained in this document, including performance targets, are based on information available to the ACCESS group at the time of the publication of this document.

- Forward-looking statements are subject to uncertainties that could cause actual results or outcome to differ materially from those statements. Accordingly, it is not advised to make investments and other decisions based solely on the content of this document.