

Fiscal 2022 1H Financial Results Presentation

Six Months Ended July 31, 2022

(39th Fiscal Year)

ACCESS CO., LTD.
August 2022

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Contents

- 1. Highlights of FY2022 1H**
Six Months Ended July 31, 2022 (39th Fiscal Year)
- 2. Highlights of Segment Results of FY2022 1H**
Six Months Ended July 31, 2022 (39th Fiscal Year)
- 3. Network Business Details**
- 4. Appendix**

1. Highlights of FY2022 1H
Six Months Ended July 31, 2022
(39th Fiscal Year)

Highlights of FY2022 1H (1)

- Net sales increased by 30.4% year-on-year to JPY 5.13 billion due to increased royalty income, an increase in the number of orders received, and the impact of exchange rates.
- EBITDA increased by JPY 0.22 billion year-on-year
- Profit attributable to owners of parent was better than operating profit due to foreign exchange gains, despite loss on investments in investment partnerships*

(JPY Million)	FY2022 1H	YoY
Net sales	5,139	+30.4%
Operating profit	(2,016)	- (YoY: -1,818)
EBITDA**	(53)	- (YoY: -273)
Profit attributable to owners of parent	(1,743)	- (YoY: -1,412)

*: Refer to "Notice Regarding Reporting of Foreign Exchange Gains (Non-operating income) and Loss on Investments in Investment Partnerships (Non-operating expenses)" released on August 31, 2022 (available in Japanese only)

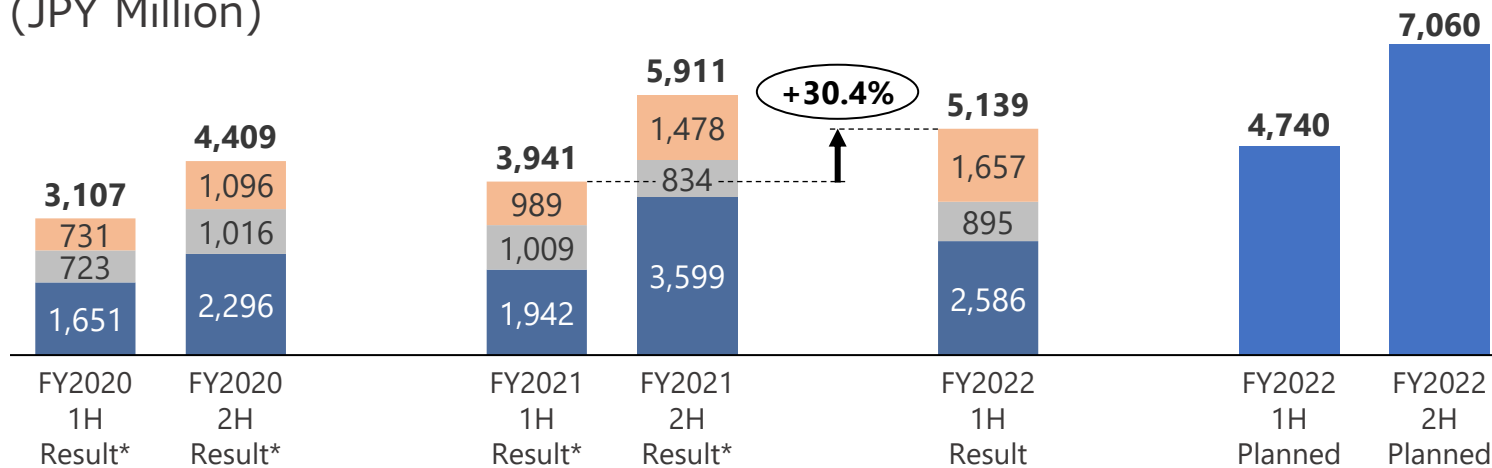
** : EBITDA=Operating profit + Depreciation and Amortization + Amortization of Goodwill

Highlights of FY2022 1H (2)

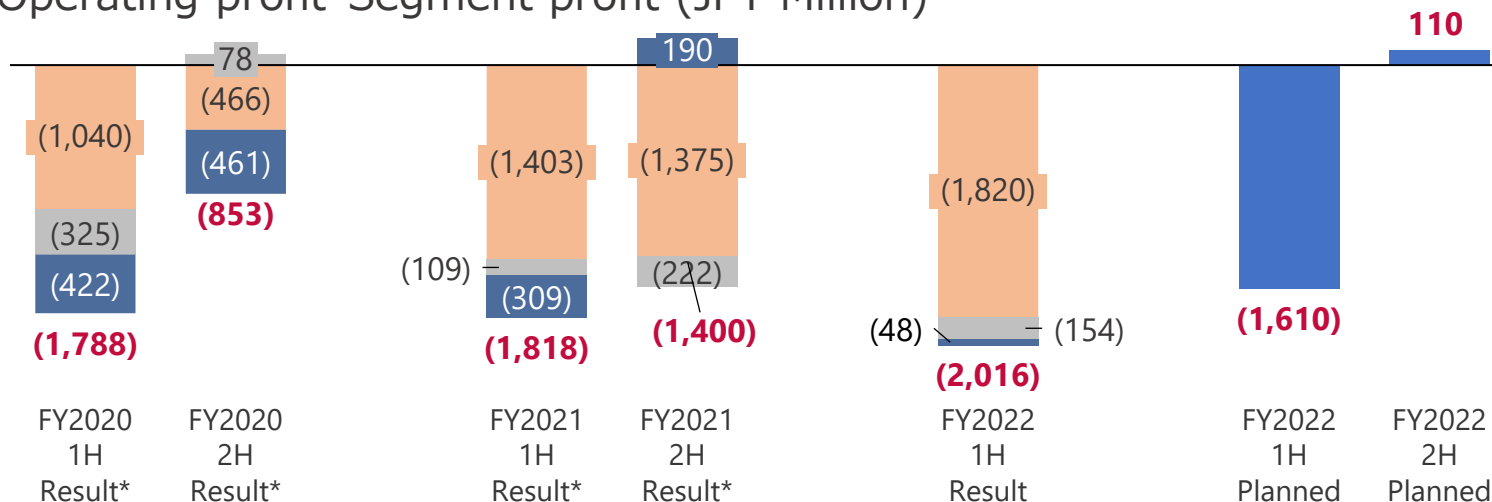
- Net sales increased year-on-year in the IoT Business and the Network Business, which was affected by the depreciation of the yen
- Regarding operating profit, the IoT Business improved year-on-year, but deficit in the Network Business expanded year-on-year due to the impact of the depreciation of the yen, resulting in a decrease in profits

Net sales by segment (JPY Million)

IoT Business Web Platform Business Network Business Planned



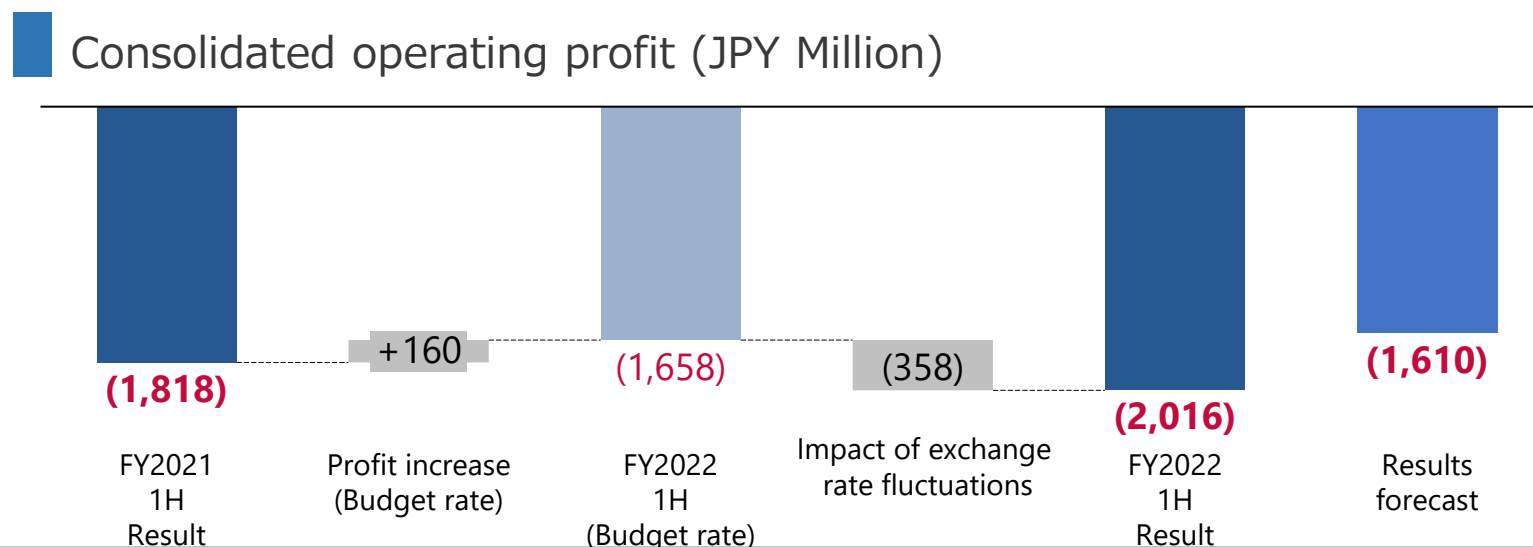
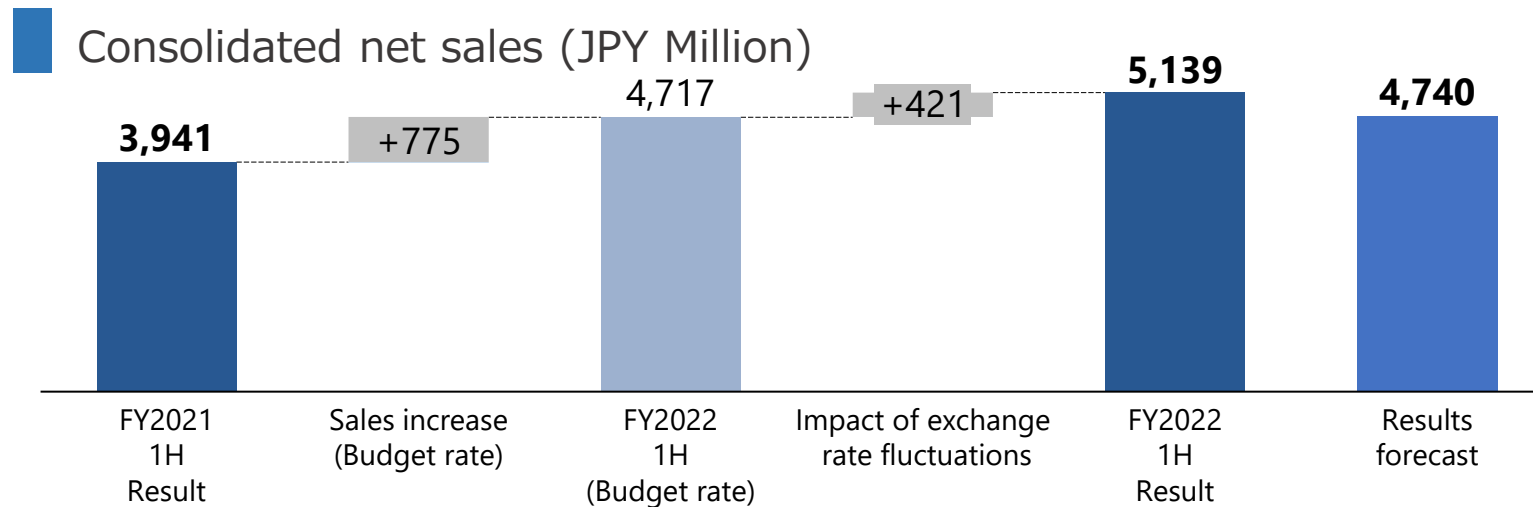
Operating profit·Segment profit (JPY Million)



*Reference value after change in segment classification

Reference: Impact of exchange rate fluctuations on net sales and operating profit

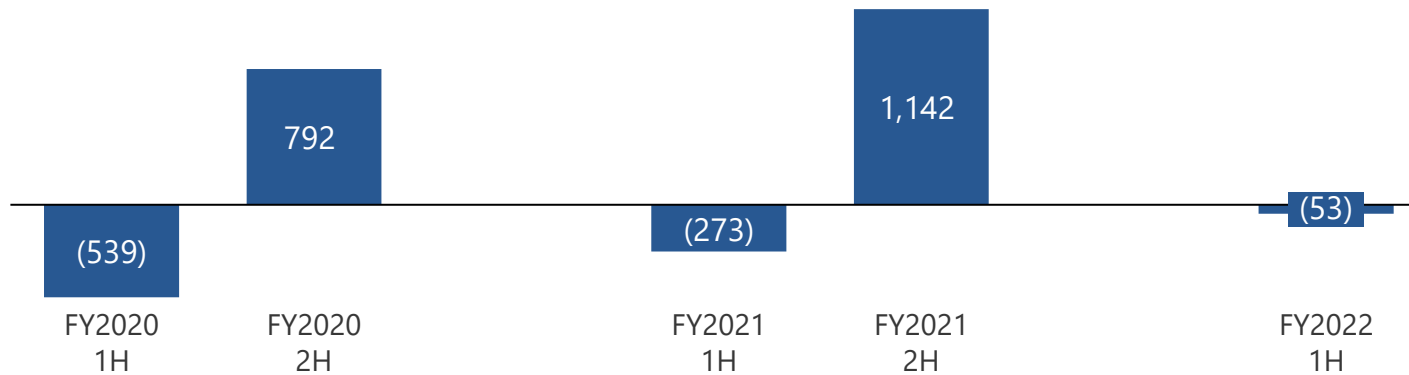
- While net sales increased by JPY 0.42 billion due to the impact of the depreciation of the yen, as to profit and loss, deficit expanded by JPY 0.36 billion since the company originally assumed a deficit
- In trial calculations at the budget rate, both net sales and operating profit were generally as planned



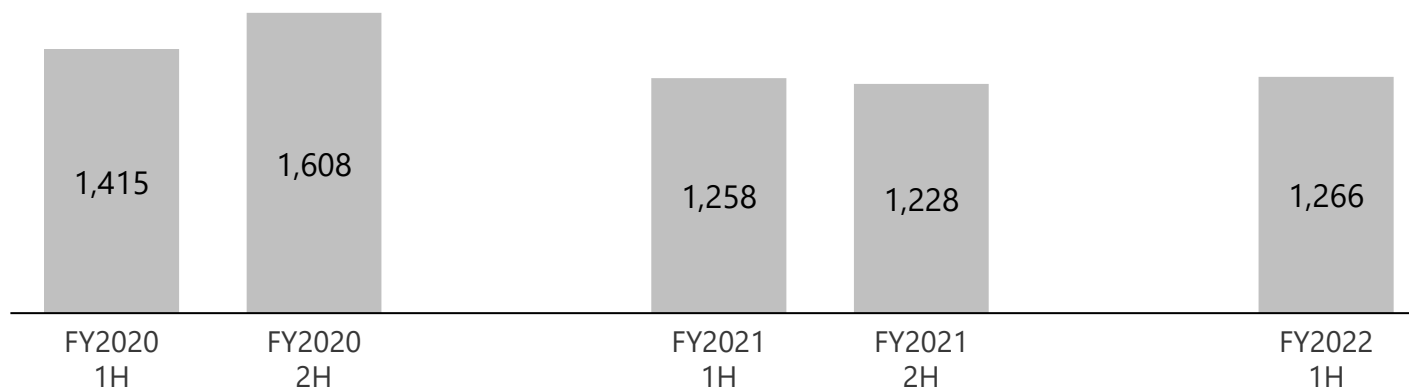
Highlights of FY2022 1H (3)

- EBITDA improved by JPY 0.22 billion year-on-year
- Continued to invest in product development at the same scale as the previous fiscal year, particularly in the Network Business

Consolidated EBITDA (JPY Million)



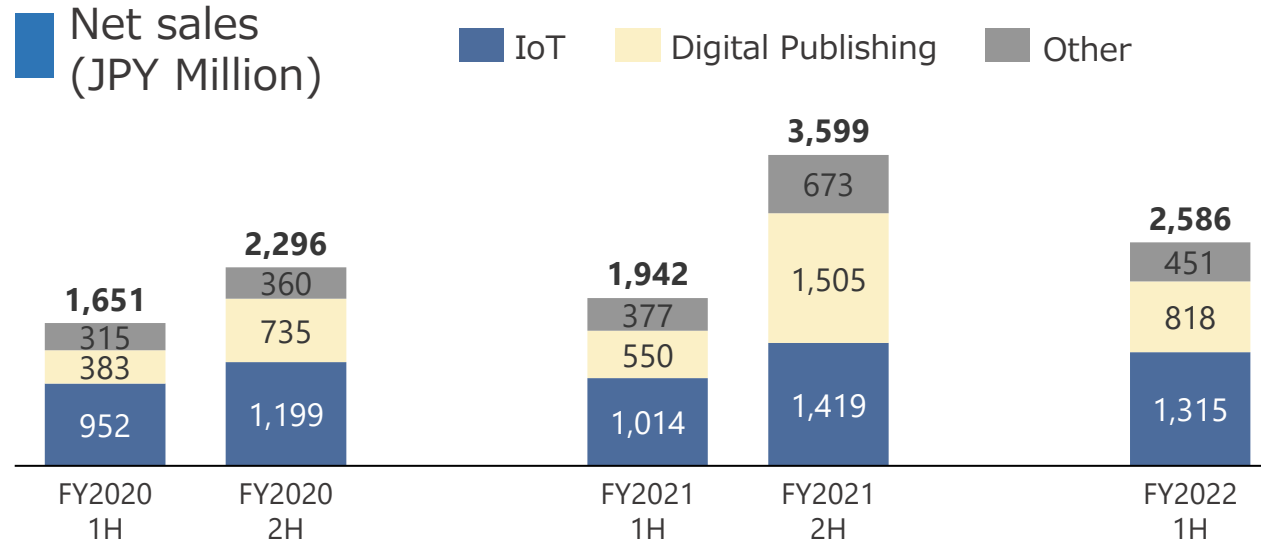
Acquired software assets (JPY Million)



2. Highlights of Segment Results of FY2022 1H
Six Months Ended July 31, 2022
(39th Fiscal Year)

Highlights of IoT Business

- IoT, Digital Publishing, and other fields showed steady financial results, with increased net sales and decreased loss year-on-year

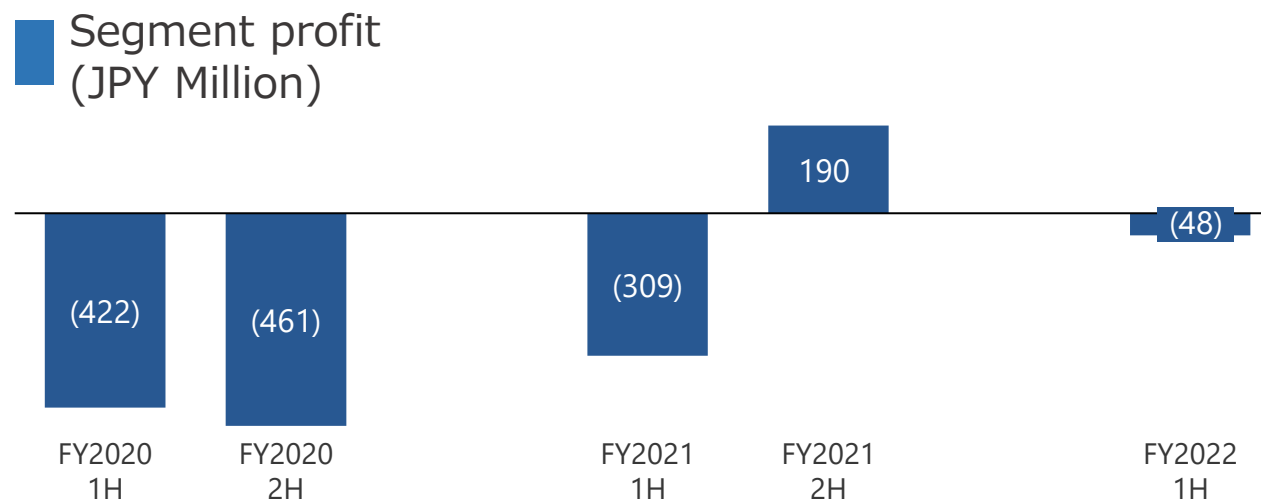


IoT Field

Sales increased due to a steady increase in non-recurring development projects for telecommunications service and construction industries

Digital Publishing Field

Worked to improve profitability by efficiently executing existing projects and non-recurring engineering projects for which orders have been received

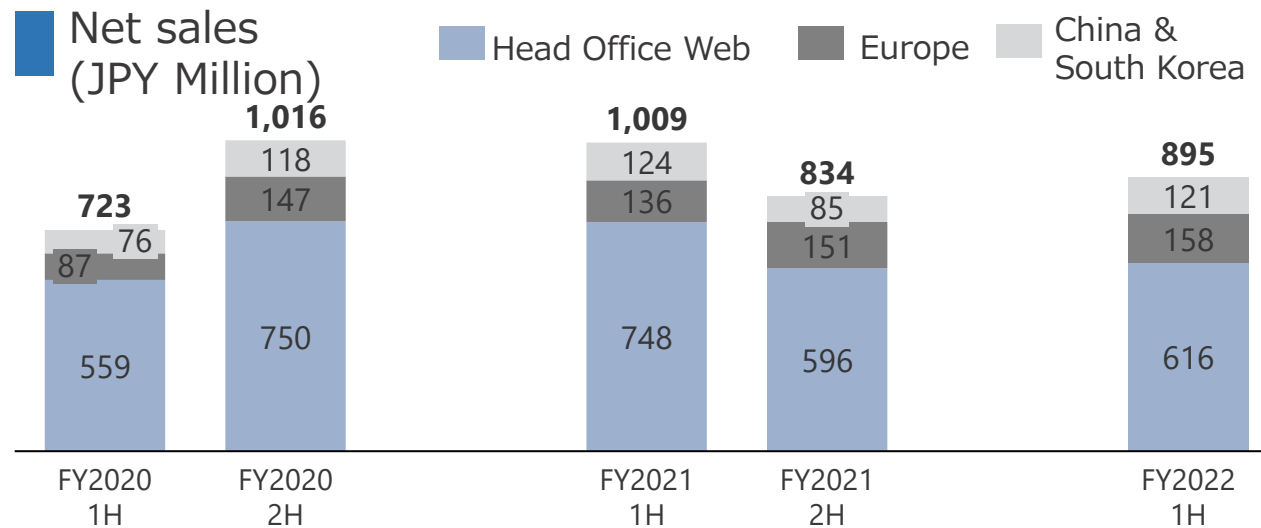


Other

Net sales at a Taiwanese subsidiary increased year-on-year, but the slowdown of client companies due to soaring web advertising costs is a risk factor

Highlights of Web Platform Business

- Decrease in net sales and profits year-on-year in the first half of the year due to changes in the contract timing of some projects at the head office
- There were no major changes in the business environment itself, and progress was generally as planned



Head Office Web

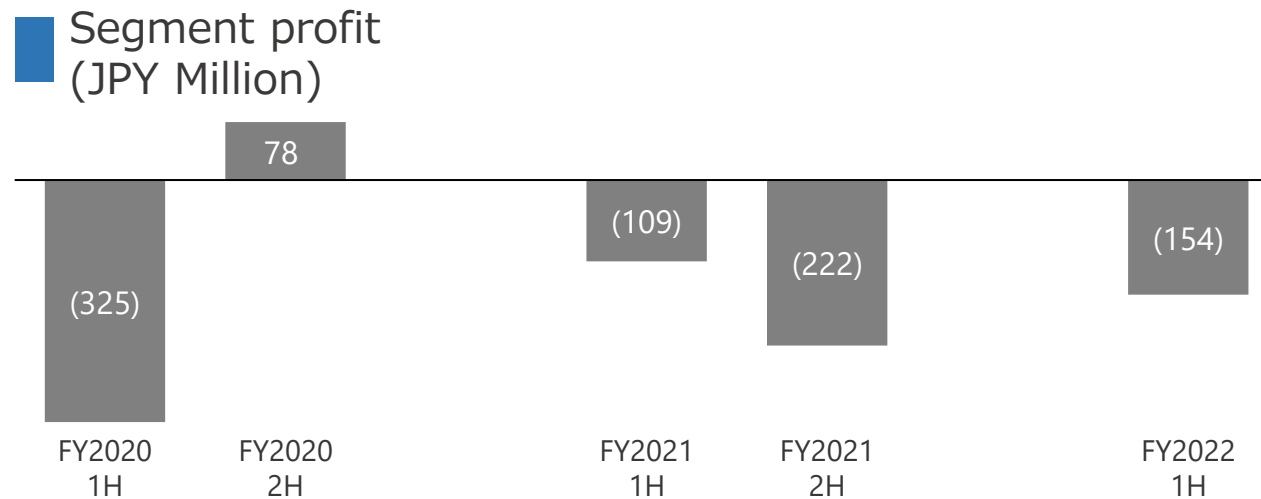
Net sales decreased in the first half of the year due to changes in the timing of some contracts for browser projects for in-vehicle infotainment

Europe

Combined browsers and content distribution platforms as a set and expanded sales to emerging EV manufacturers in China

China & South Korea

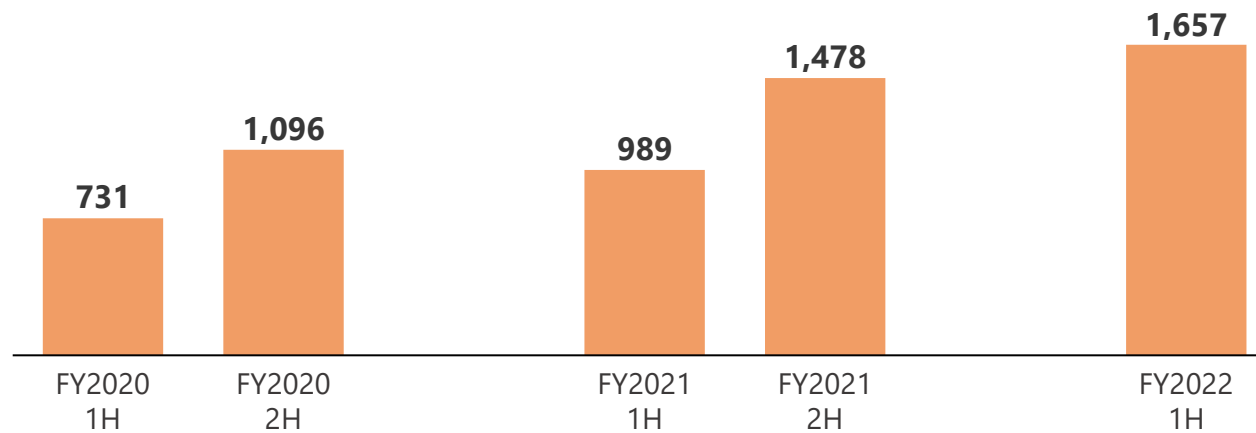
Maintained roughly the same business scale as the previous year, centered on browser projects



Highlights of Network Business

- Net sales increased due to the steady expansion of the business scale of OcNOS
- Profits decreased due to the impact of exchange rates, as the plan was for a deficit in which costs exceeded sales

Net sales (JPY Million)



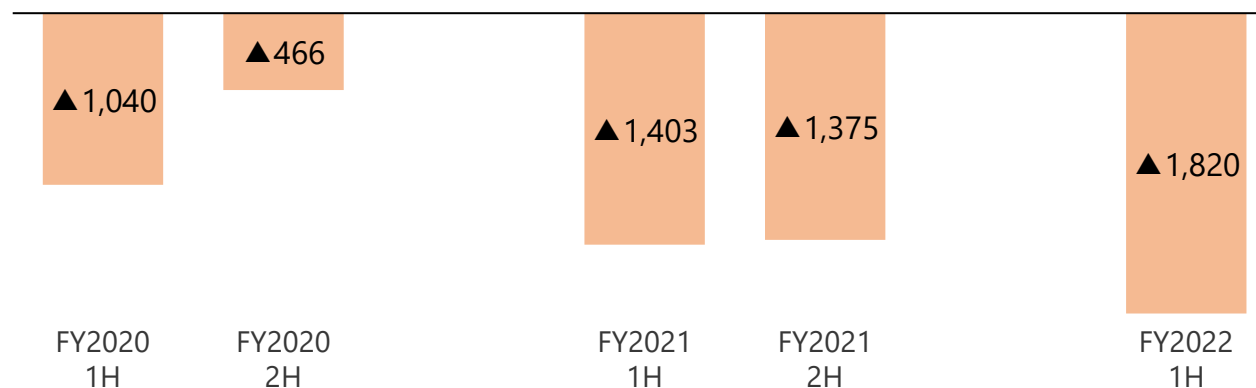
Segment as a whole

Net sales increased due to steady increase in both the number and amount of orders received for OcNOS

While sales increased, operating loss expanded due to the impact of exchange rates

We will continue commercial testing and evaluation, as well as negotiations for order receipt of large-scale projects

Segment profit (JPY Million)



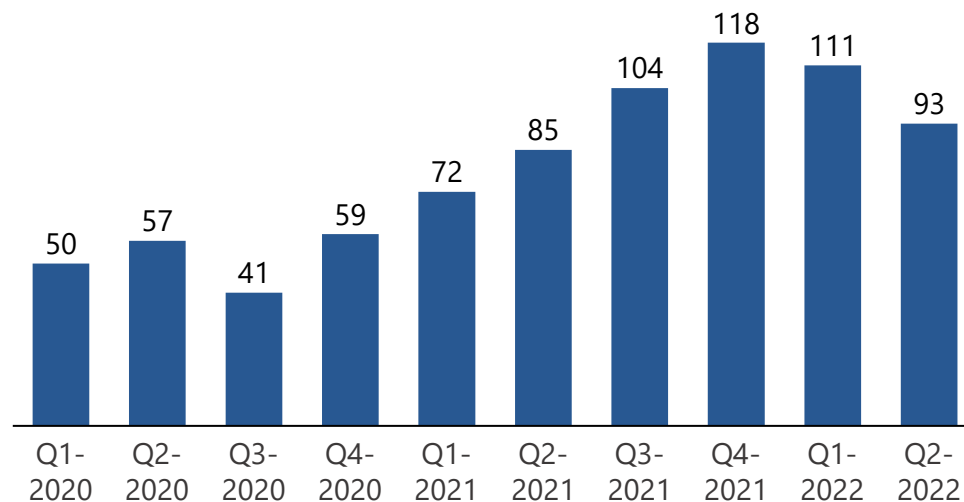
3. Network Business Details

Business Progress in the First Half of FY2022

- Despite delays in evaluation and adoption due to shortages of semiconductors, we had more than **40 New Customers** and **120 Repeat Orders** in the first half of 2022 (67 New Customers and 100 Repeat Orders last year)
- On a year-on-year basis (compared to the first half of 2021), both the number of projects contracted and the amount of orders received continued to grow steadily

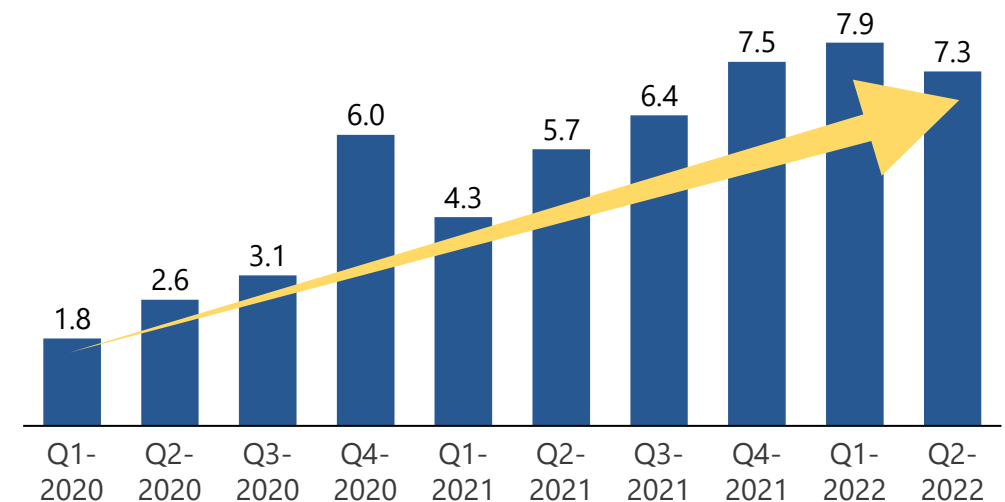
Number of projects contracted

- **204** contracts in the first half of 2022
- Growth of **about 1.3 times** on a year-on-year basis (157 contracts)



Amount of orders received* (\$1MM)

- Growth in the amount of orders of **about 1.5 times** on a year-on-year basis



*: Including multiyear contracts

Expansion of Sales Channels

- Build a collaborative network with leading distributors and solution providers around the world to strengthen the global sales system

Main new collaborations in the first half of 2022

Distri X (Netherlands)

A fast-growing distributor in the Benelux region
(Collaboration announced on February 24)

HFCL (India)

Leading telecommunications equipment manufacturer
and telecommunications technology provider in India
(Collaboration announced on April 19)

Fujitsu Network Communications (U.S.)

A solution provider with a strong
presence in the North American
market
(Collaboration announced on August 30)

Related announcements:

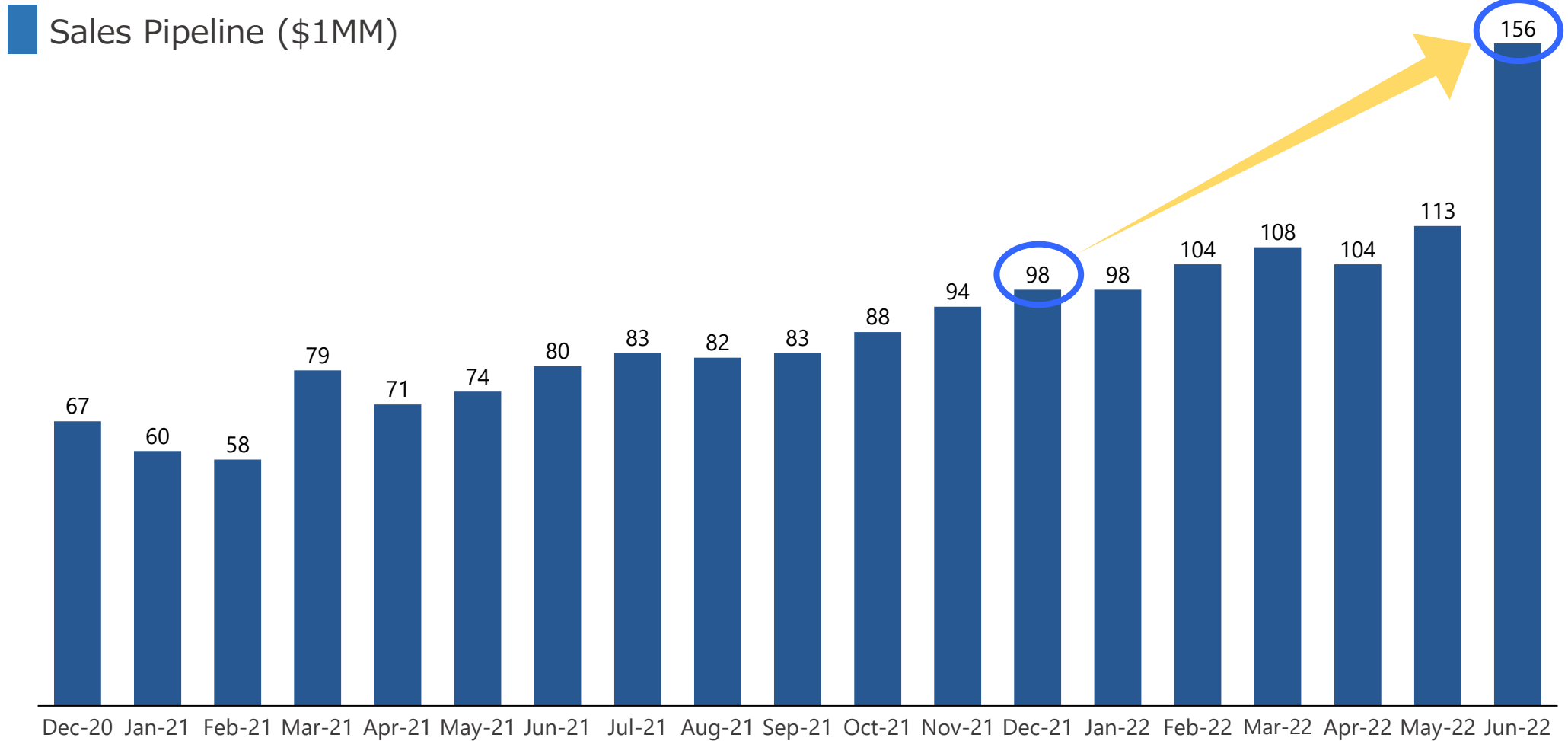
2/24/2022 [IP Infusion and Distri X Partnership Delivers Transformative Networking, Security and Cloud Solutions within the Benelux](#)

4/19/2022 [IP Infusion and HFCL Partner to Deliver Open Networking 5G Solutions](#)

8/30/2022 [IP Infusion Partners with Fujitsu Network Communications to Deliver Open, 5G Networking](#)

Growth in Sales Pipeline

- As of June 2022, **156M** (up **59%** from the beginning of the period and up **95%** year-on-year)



Rating in Analyst Reports

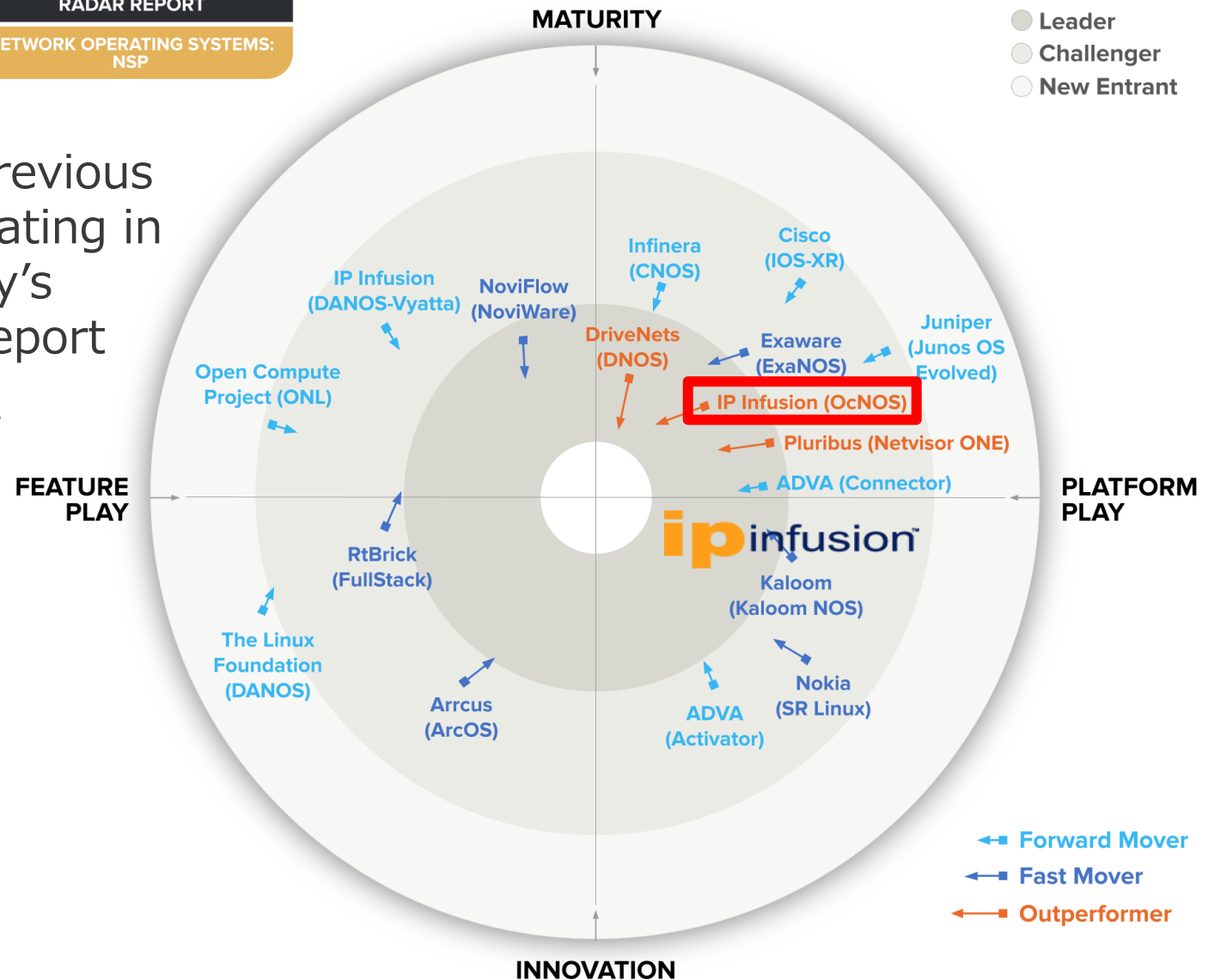
GIGAOM
RADAR REPORT

NETWORK OPERATING SYSTEMS:
NSP

- Continuing from the previous year, received a high rating in U.S. research company's GigaOm Radar 2022 report

Named a Leader and Outperformer as a vendor for network service providers for the second consecutive year (see the chart on the right), in addition to being named a Leader and Outperformer in the following two fields

- For cloud/managed service providers
- For enterprises (large enterprises/small to medium sized enterprises)



Related announcement:

6/30/2022 [GigaOm names IP Infusion a Leader and Outperformer for the Second Consecutive Year in All Three 2022 Network Operating System Radar Reports](#)

4. Appendix

Acquisition Status of Treasury Shares

- As stated in the “Notice Concerning Decisions on Matters Related to the Acquisition of Treasury Shares” released on May 31, 2022, market purchases of treasury shares started on June 1, 2022 and are currently underway

Overview of Treasury Share Acquisition

- Number of shares : 2 million shares (maximum) to be acquired
- Total acquisition cost : JPY 1,600 million (maximum)
- Acquisition period : June 1 to November 30, 2022

Acquisition Status (June 1 to July 29, 2022)

- Number of shares acquired : 686,000 shares
- Acquisition cost : JPY 493,752,200

Changes in share prices (JPY)

