



# Network Business Presentation

| ACCESS CO., LTD. (4813)

May 2023

ACCESS™

# Agenda

1. About ACCESS
2. Overview of the Network Business
3. Initiatives in the Network Business
4. Consolidated Financial Results

# 01

## About ACCESS

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1980s

1990s

2000s

2010s

**Software for embedded devices**

**Launched Browser for Cellular Phone**

**Challenge for Developing OS (Operating System) for Smart Phone**

**Developing New Business / Investing to IoT Business and Network Business**

**1984**

ACCESS Limited was founded

**1996**

NetFront® was launched

**1999**

Compact NetFront was launched for i-mode cellular phone

**2000**

Changed the company name to ACCESS Co., Ltd.

**2001**

IPO to the TSE Mothers

**2005**

Acquired PalmSource, Inc.

**2006**

Acquired IP Infusion Inc.

**2011**

Launched Digital Publishing solutions

**2015**

**A Network OS for White Box was launched**

**2018**

**Acquired Northforge Innovations Inc.**  
Twine for Car was launched

**2019**

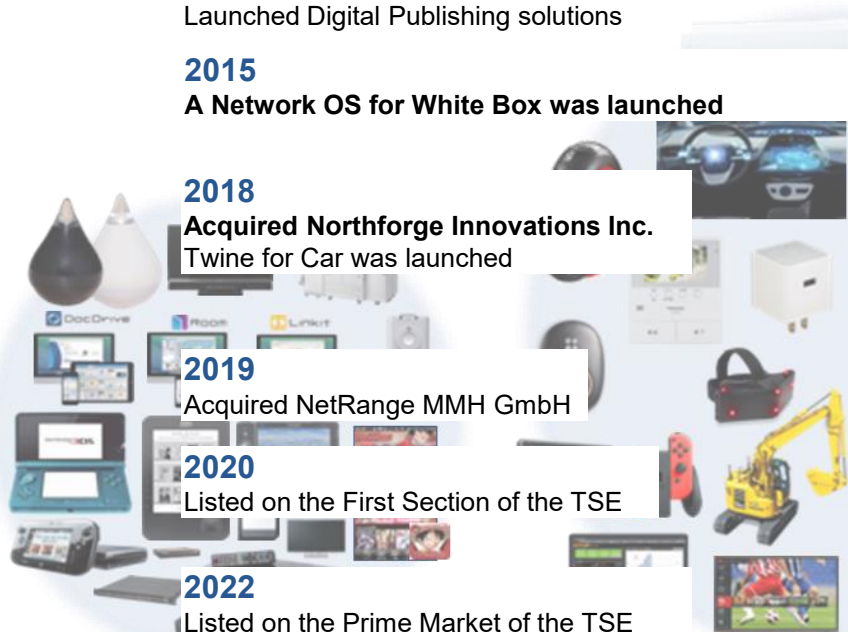
Acquired NetRange MMH GmbH

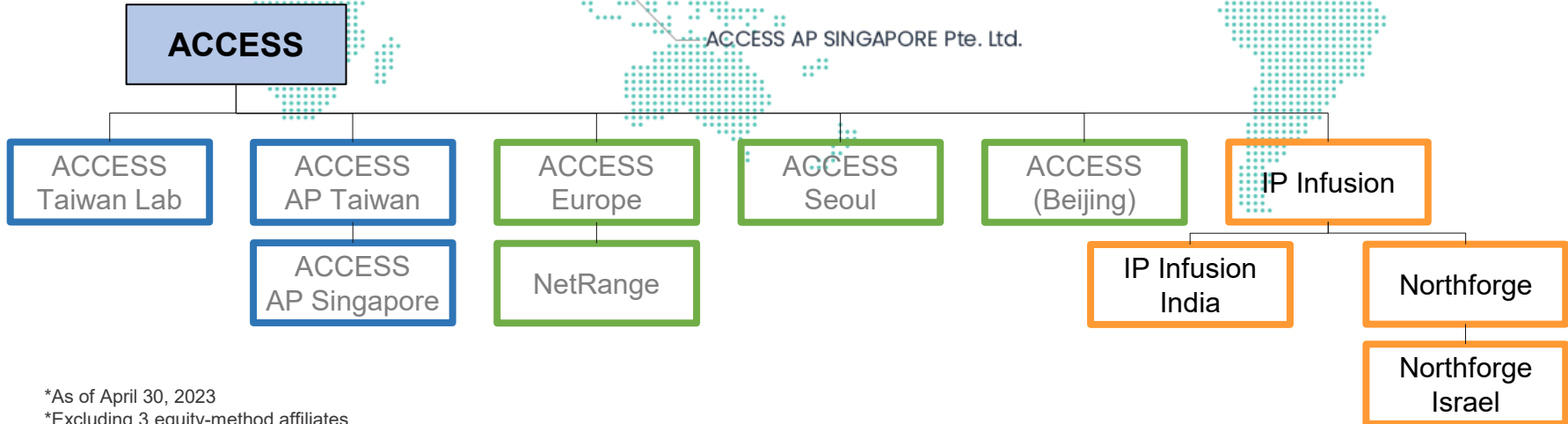
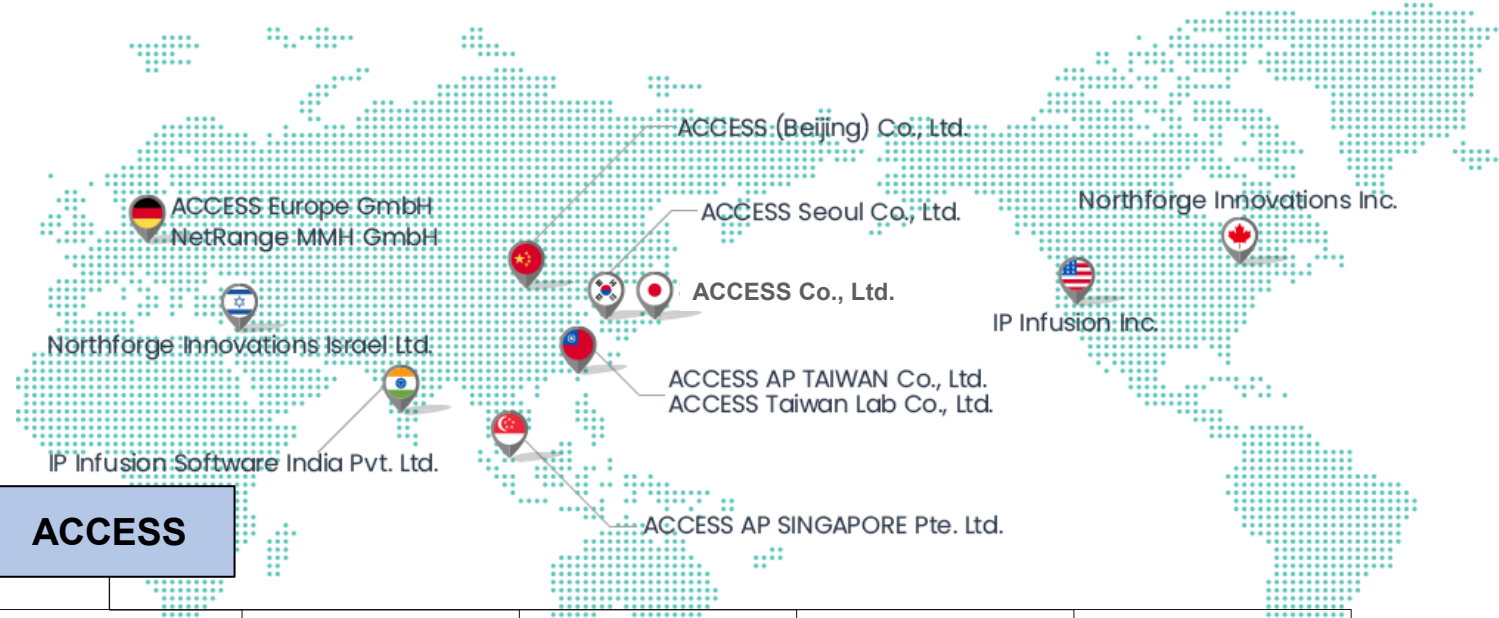
**2020**

Listed on the First Section of the TSE

**2022**

Listed on the Prime Market of the TSE





\*As of April 30, 2023

\*Excluding 3 equity-method affiliates

## 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

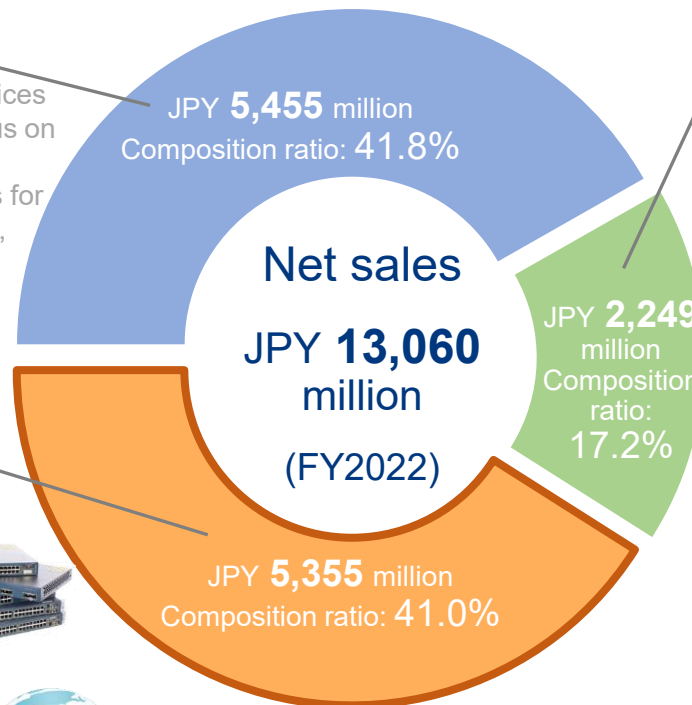
Subject of this presentation

## 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



**ipinfusion**<sup>™</sup>  
An ACCESS Company

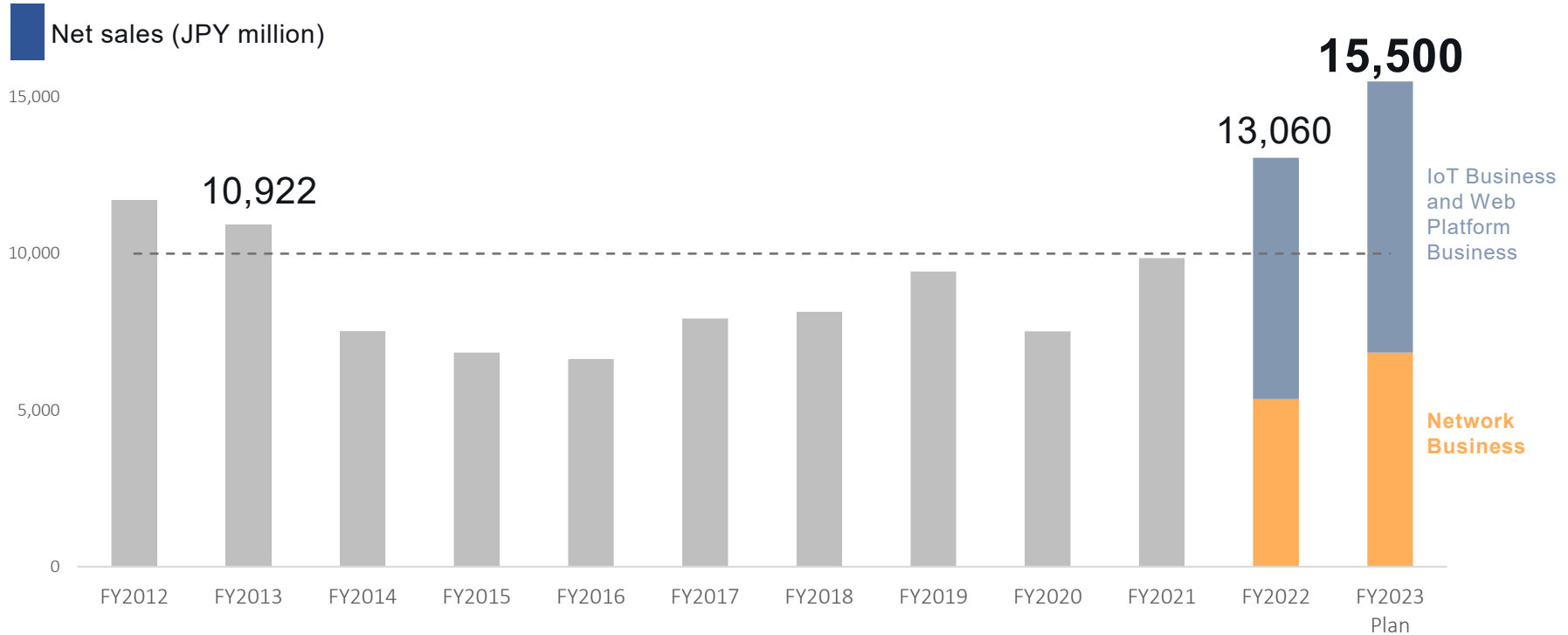


## Web Platform Business

- 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



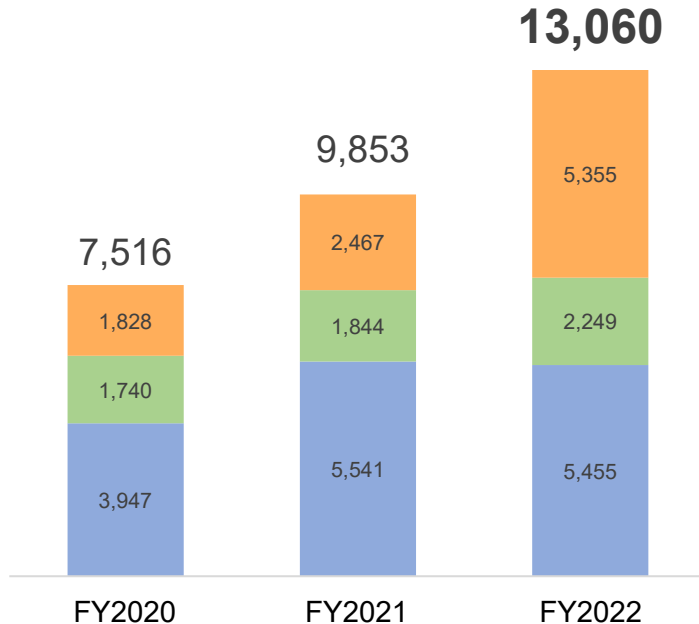
- Surpassed JPY 10 billion for the first time in nine years in the previous fiscal year
- The growth of the Network Business drove the growth of the entire Group



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

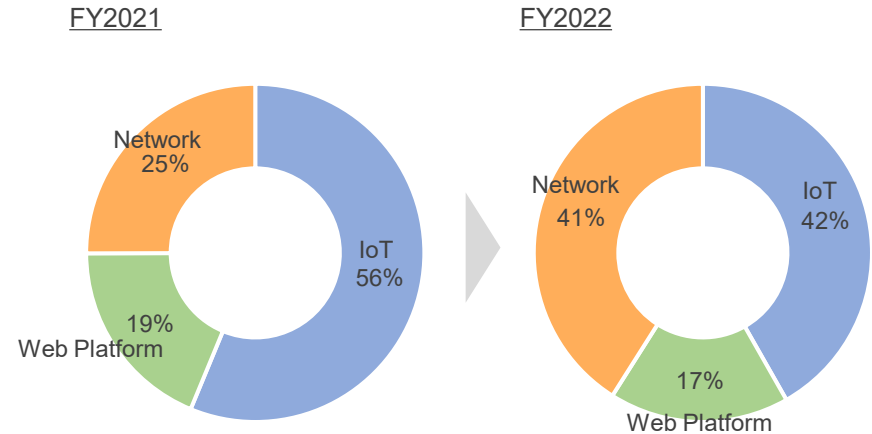
### Net sales by segment (JPY million)

IoT   Web Platform   Network



### Sales composition by segment (%)

The Network Business sales composition ratio increased by 16 points





# 02

## Overview of the Network Business

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

### What is white box?

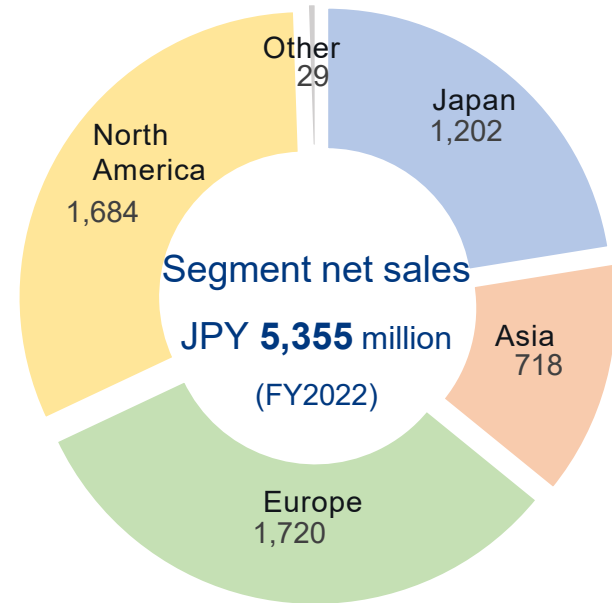
- A network switch in which software and hardware are procured separately, in contrast to conventional network switches that are provided with integrated software and hardware

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

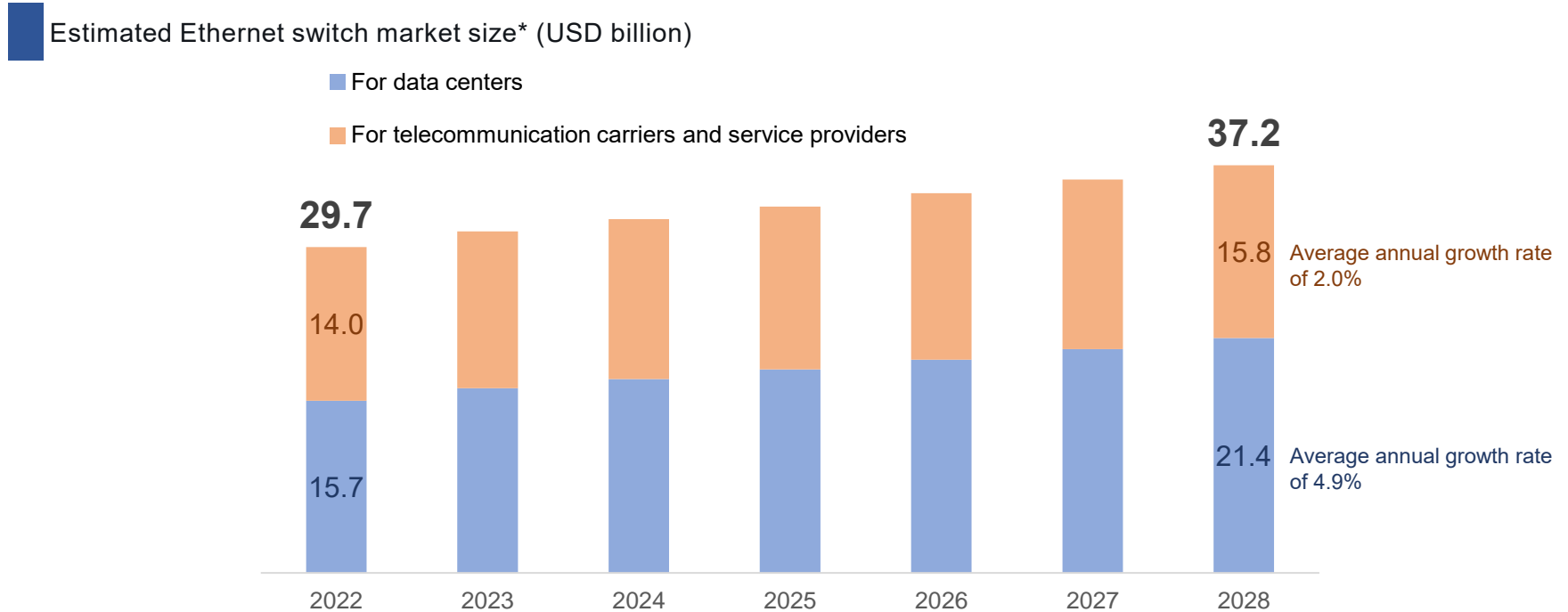
**Cost reductions**

**Greater flexibility in operations**

### Net sales by region (JPY million)

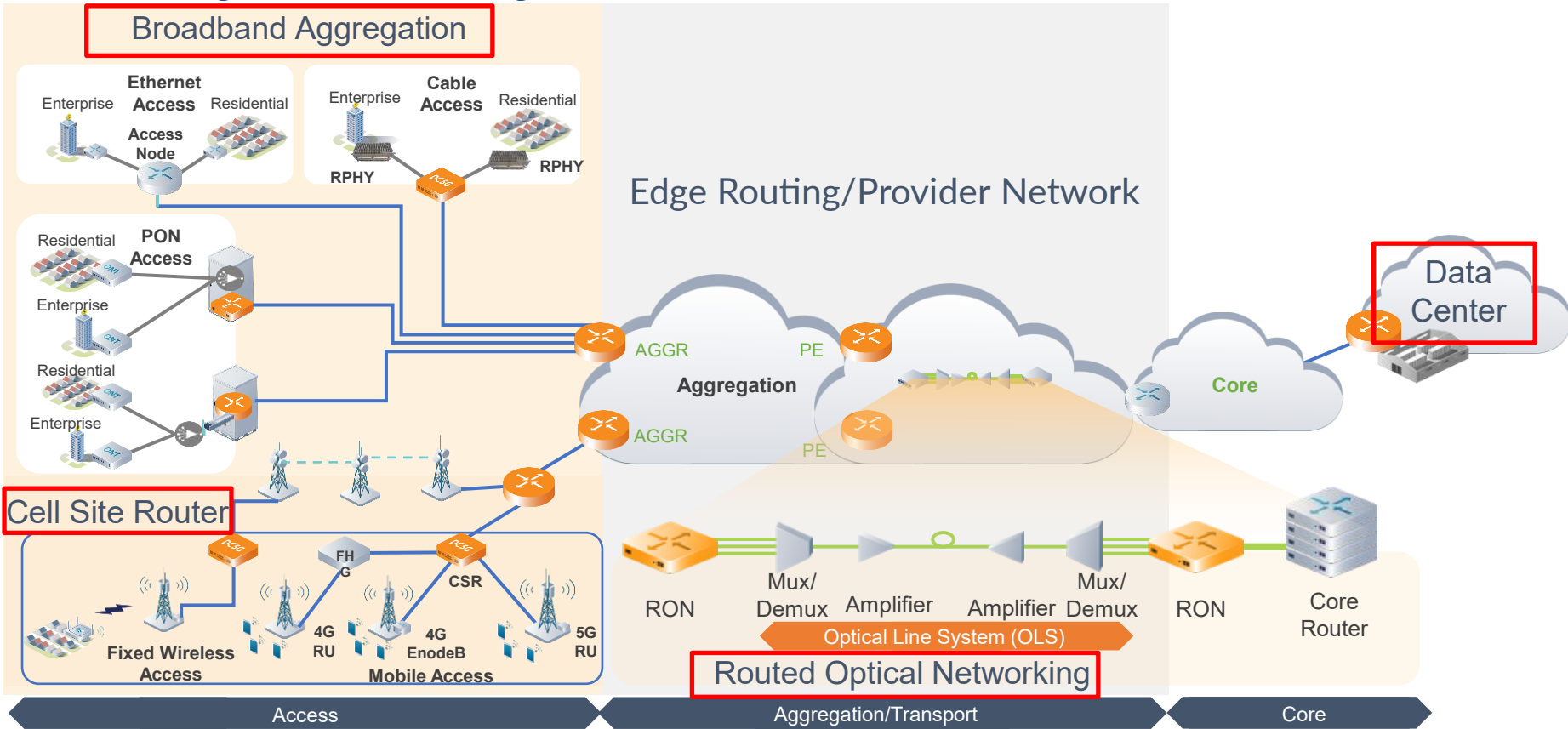


## A huge market with the size of about USD 30 billion (about JPY 4 trillion). Expected to continue growing

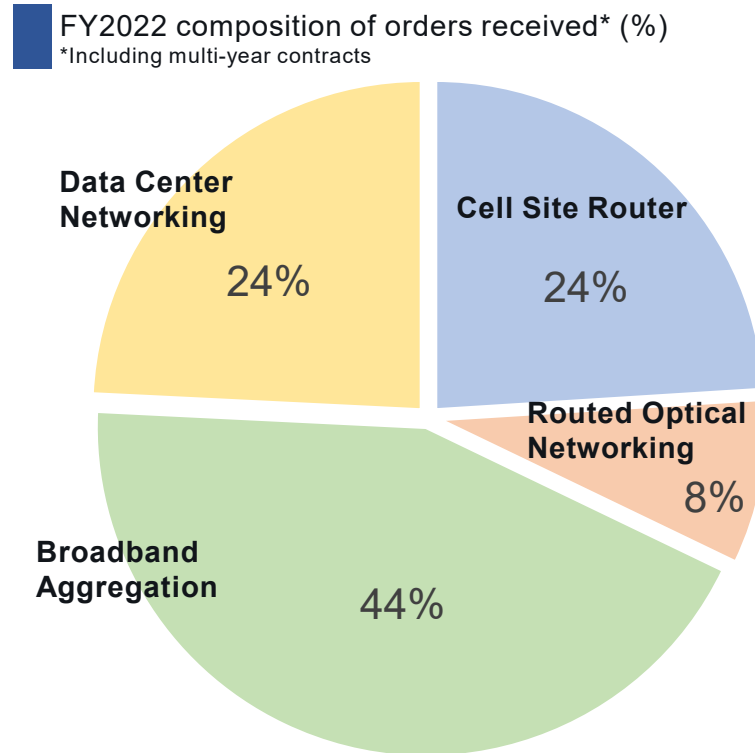


\*Estimated by IP Infusion based on various press documents of IMARC Group (for data centers) and Dell'Oro Group (for telecommunications carriers and service providers)

## Covering a wide range of use cases



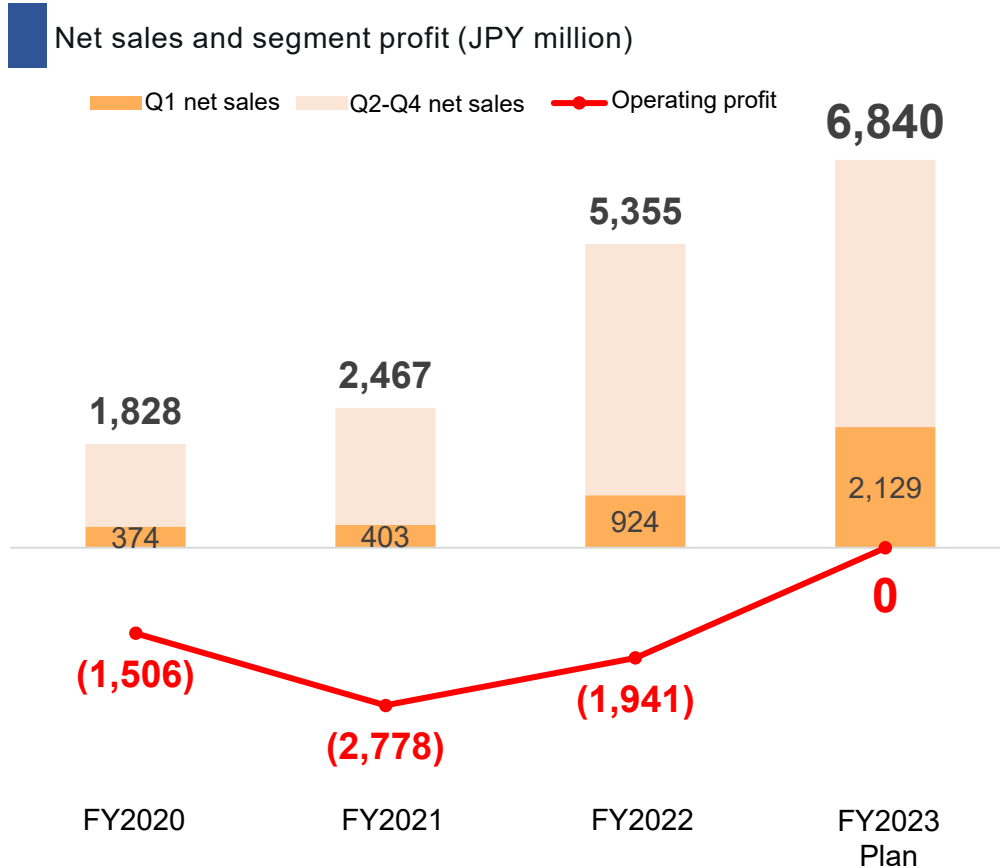
By solution, white box is spreading into Broadband Aggregation, Cell Site Router and Data Center



# 03

## Initiatives in the Network Business

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## • Sales more than doubled YoY

- Won large-scale projects in Q1 ahead of schedule that were expected for the second half
- New customers and repeat orders steadily increased

## • Record high net sales for Q1

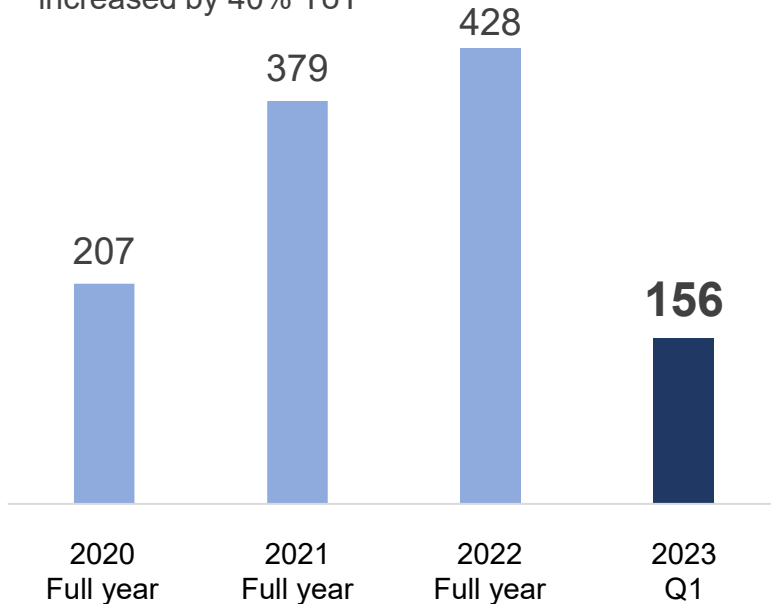
- Scheduled to turn profitable in the full year

# Number and Amount of Orders Received

- The number of orders received (new and repeat orders combined) continues to increase steadily
- The amount of orders received hit a record high for Q1, partly due to the impact of large-scale orders

## Number of orders received

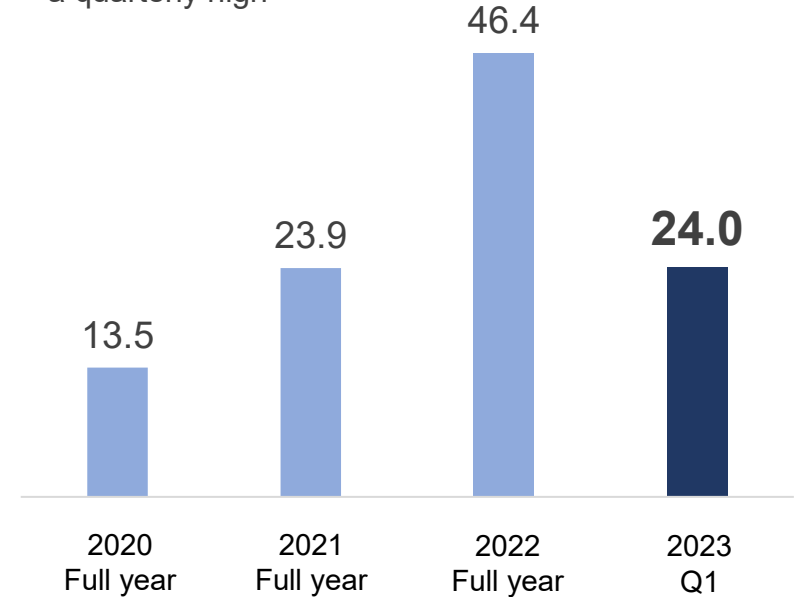
The number of orders received in Q1 2023 increased by 40% YoY



## Amount of orders received\* (USD million)

\*Including multi-year contracts

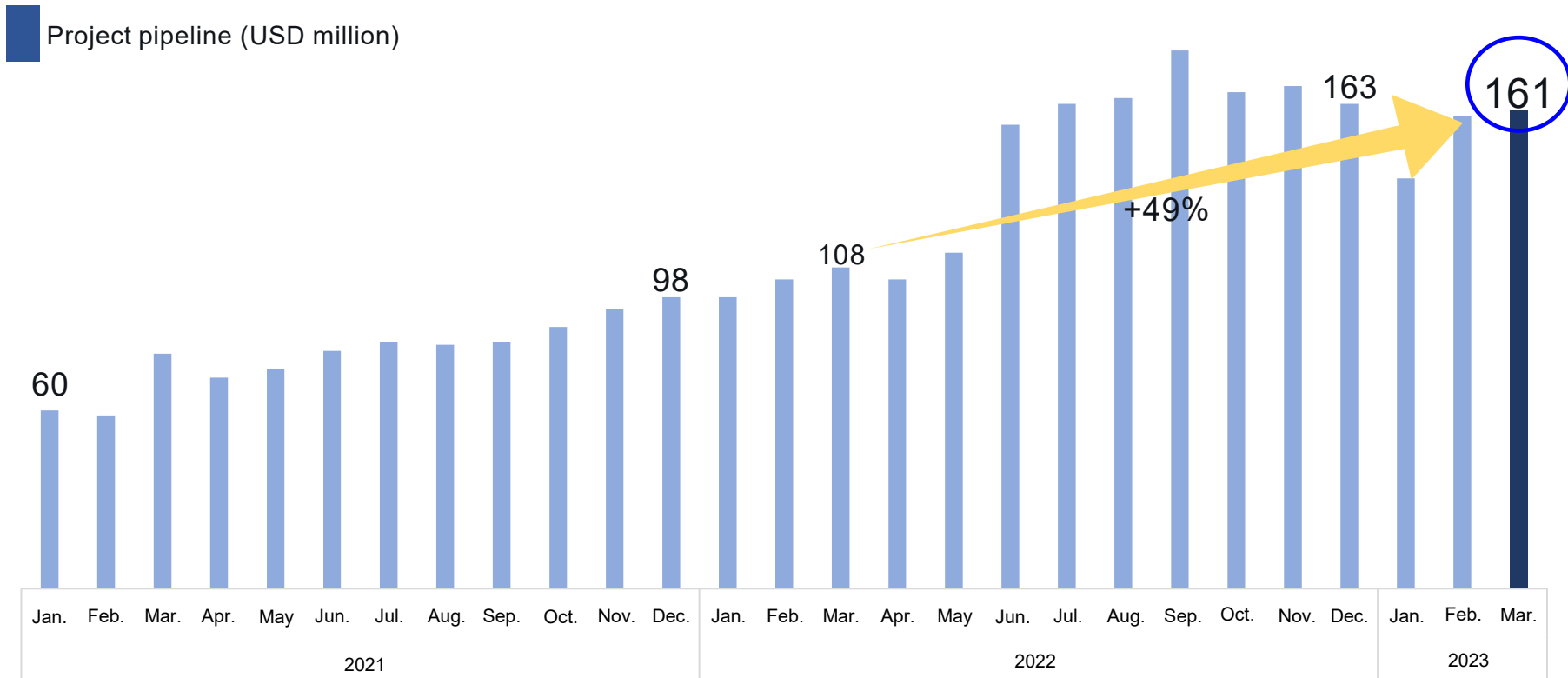
The amount of orders received in Q1 2023 reached a quarterly high





# Project Pipeline (Potential Project Amount)

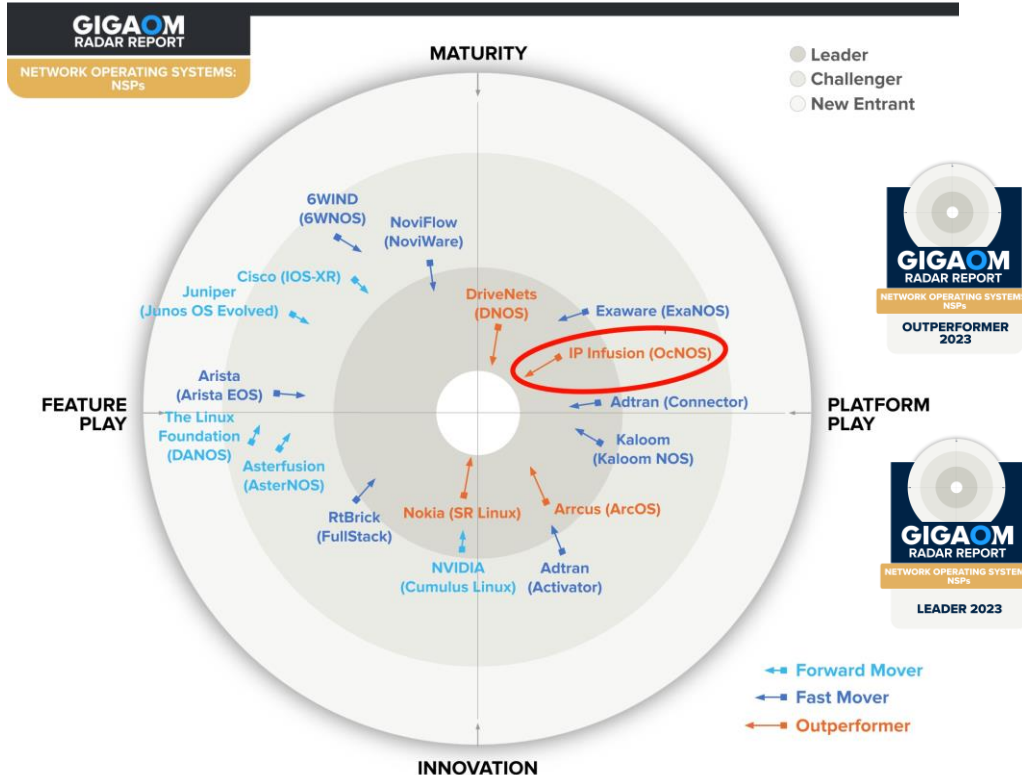
Potential project amount of USD 161 million at the end of Q1 2023 (total of inquiries, etc.)  
**49% increase** YoY, 2.0 times higher than two years ago



## Leader & Outperformer recognition in all 3 NOS reports\*

e.g. 2023 NOS Radar Report: NSP

- \* 1) Network Service Provider (NSP)
- 2) Cloud Service Provider (CSP)/MSP
- 3) Enterprise & SMBs



- High recognition awarded for 3 consecutive years
- Outperforming major existing vendors

### Key factors for the recognition awarded

- Wide range of use cases
- Growth in achievements and number of customers

## Chosen by about 240 service providers

### Service providers



### Network device manufacturers



## Collaborate with major vendors in various fields to expand business

### SILICON PARTNERS



### HARDWARE PARTNERS



### OPTICS PARTNERS



### SYSTEMS INTEGRATORS



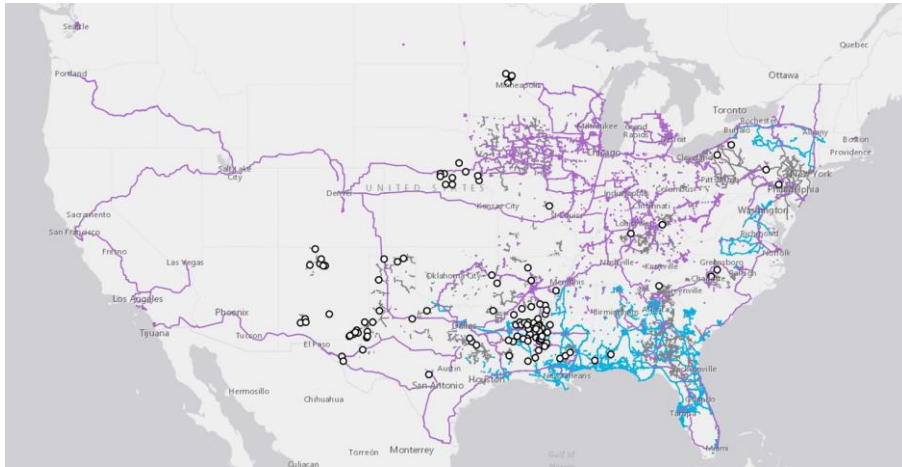
### CHANNEL PARTNERS



### VALUE-ADDED RESALE PARTNERS

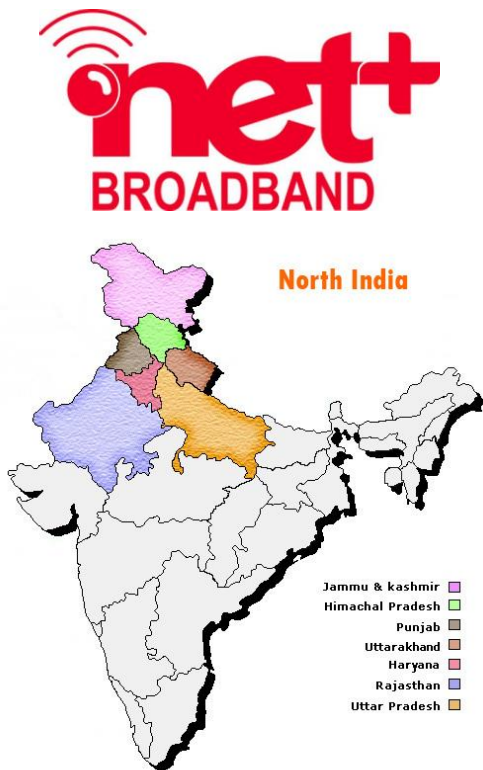


The 8th largest U.S. fiber provider (over 200,000 kilometers of optical fiber network) selected OcNOS for further network expansion



- Solved supply chain issues (significant improvement in delivery time) in addition to reducing Capex and Opex
- Reduced power consumption to 1/6 by using white box solutions in comparison to Cisco ASR 9006
- Contributed to improving ESG scores as a listed company. 800% reduction in power needs
- “As a listed company, timely upgrades and equipment procurement are critical not only for performance, but also for delivering shareholder value. Past vendor supply chain issues and rising costs were not the best choice for our growth.”  
- Graham Wooden, IP Service’s Engineering Director at Uniti

## The Indian ISP selected OcNOS as an aggregation router to expand the broadband network



- Selected OcNOS as a way to enable network upgrades while maintaining seamless interoperability with existing networks using Cisco and Nokia
- Deployed MPLS and EVPN functions using the white box solution with OcNOS and UfiSpace as a successor to ZTE
- “Our research confirmed that IP Infusion’s open networking OcNOS software not only boasts superior technology, but is highly cost-effective, easy to integrate and will strategically position us for further expansion.”  
- Arshdeep Singh Mundi, Executive Director at Netplus

## OcNOS was selected to build a new full-fiber network across the U.K.



- A fast-growing service provider offering full-fiber broadband services to U.K. towns and cities underserved by network services
- Built a network using OcNOS as part of the company's plan to serve one million facilities by 2023
- “Our lean and scalable operating model allows us to rapidly deploy our network to provide homes and businesses with a reliable, high quality and high-speed Internet connections. IP Infusion provided us with a flexible, turnkey solution that simplifies our operation, along with excellent single-point of contact support that we needed to help expand our network.”  
- Feka Samakuva, Director of Networks at Netomnia

## Lintasarta, Indonesia's leading information and communication technology services company, selected OcNOS for core and edge access networks



Indonesia



- Selected IP Infusion's high-capacity, low-cost network solution OcNOS to upgrade its legacy network
- Realized seamless and gradual migration to the white box solution without service interruption while ensuring interoperability with legacy devices by using OcNOS, which supports a wide range of functions
- "We have future-proofed our network with IP Infusion's very competitively priced, open and tested solution. Their OcNOS solution architecture advantage and solid maintenance and support allows for seamless migration strategies that will result in increased innovation for our customers."  
- Arya Damar, CEO of Lintasarta



Support for the development of “Beluganos,” network OS for white box solutions, to realize NTT’s IOWN\* concept and the construction of a global value chain



\*Innovative Optical and Wireless Network

### IP Infusion’s support

- Technical support for the development of Beluganos
- Carried out sales and support for global markets in cooperation with NTT Advanced Technology Corporation to realize the IOWN concept across the world

### Deployment status and advantages of Beluganos

- NTT Communications Corporation started introducing white box devices equipped with Beluganos to its commercial network
- 20% reduction in TCO compared to conventional dedicated devices
- In the future, Beluganos and the photonic-electronic convergence device technology of IOWN will be utilized to promote network power saving and speed improvement

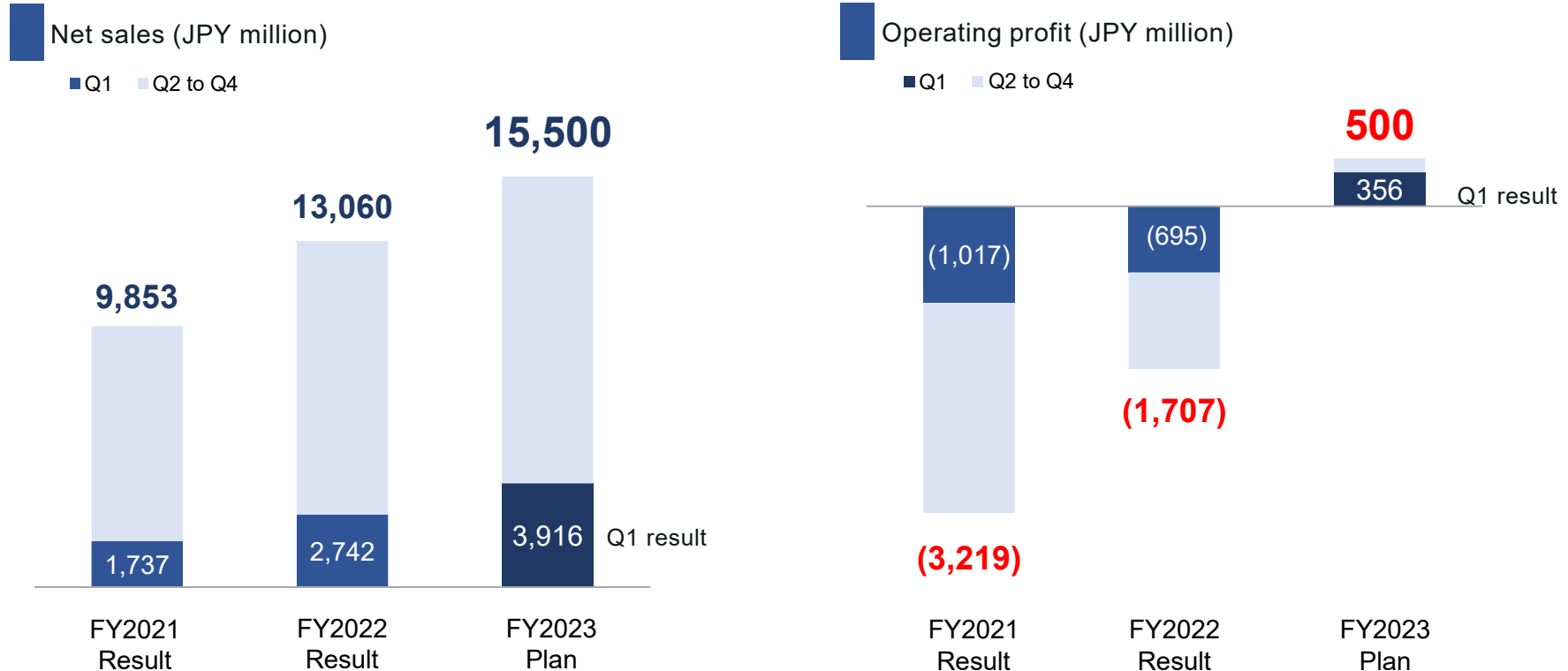
# 04

## Consolidated Financial Results

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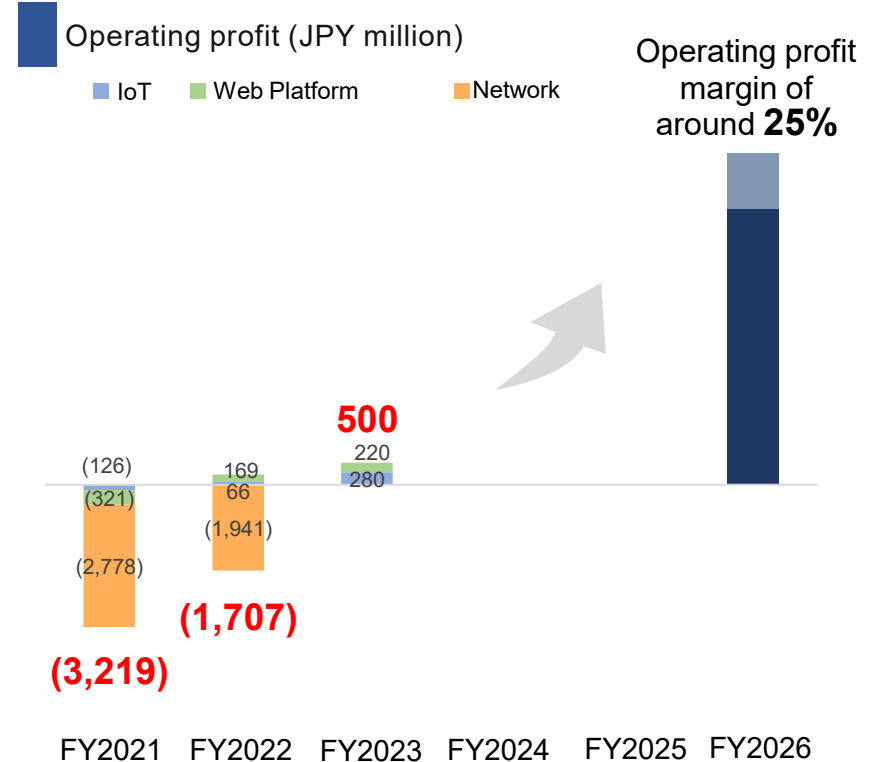
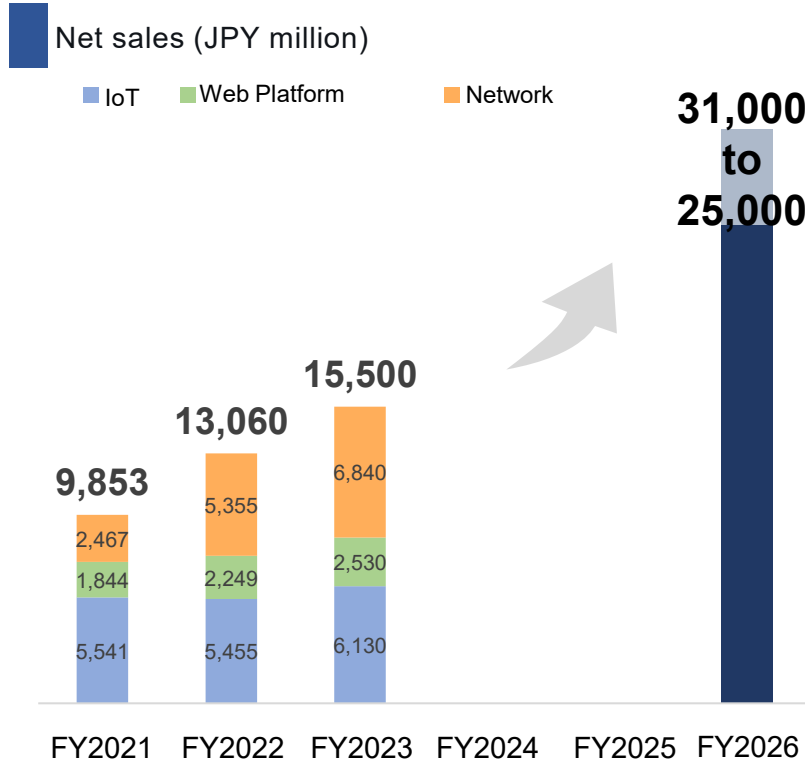
# Q1 FY2023 Consolidated Financial Results

- Net sales significantly increased in Q1 due to front-loading of projects in the Network Business
- IoT Business and Web Platform Business progressed largely as planned



## Target figures for FY2026

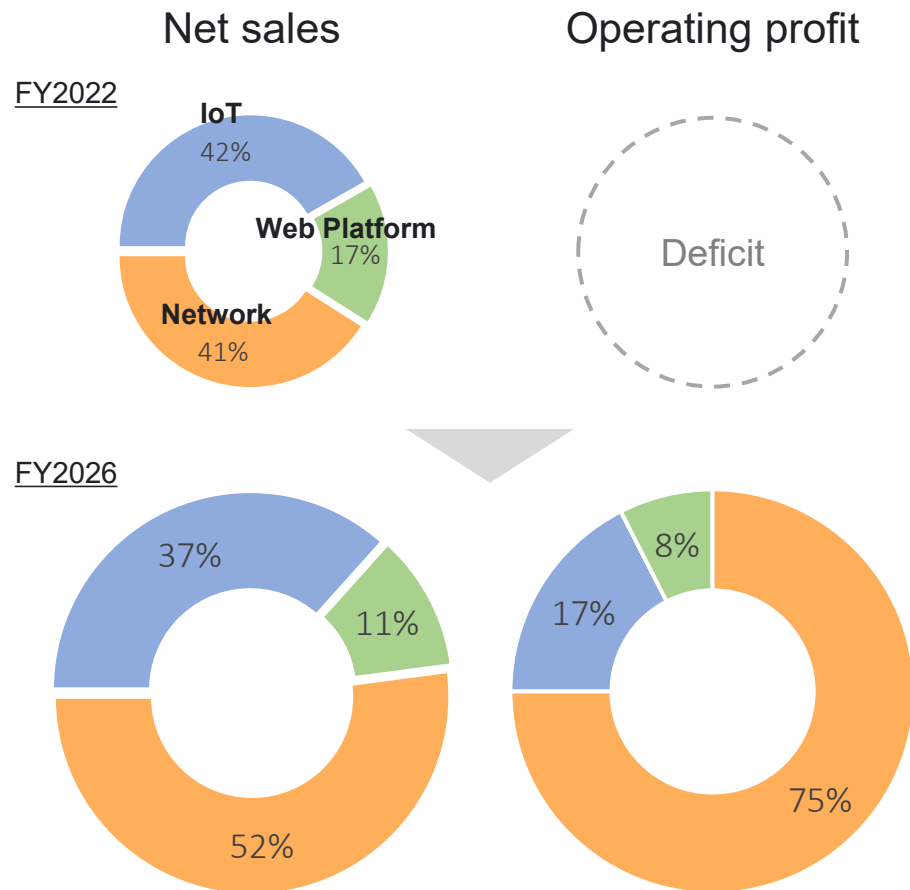
Net sales: JPY 25 billion to JPY 31 billion, Operating profit margin: around 25%



# 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



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