We wish to convey our heartfelt condolences to the victims of the Great East Japan Earthquake that occurred on March 11, 2011.

We hope that you regain peace of mind and that the afflicted areas achieve revitalization as soon as possible.

April 26, 2011
AXELL CORPORATION

Securities Code: 6730

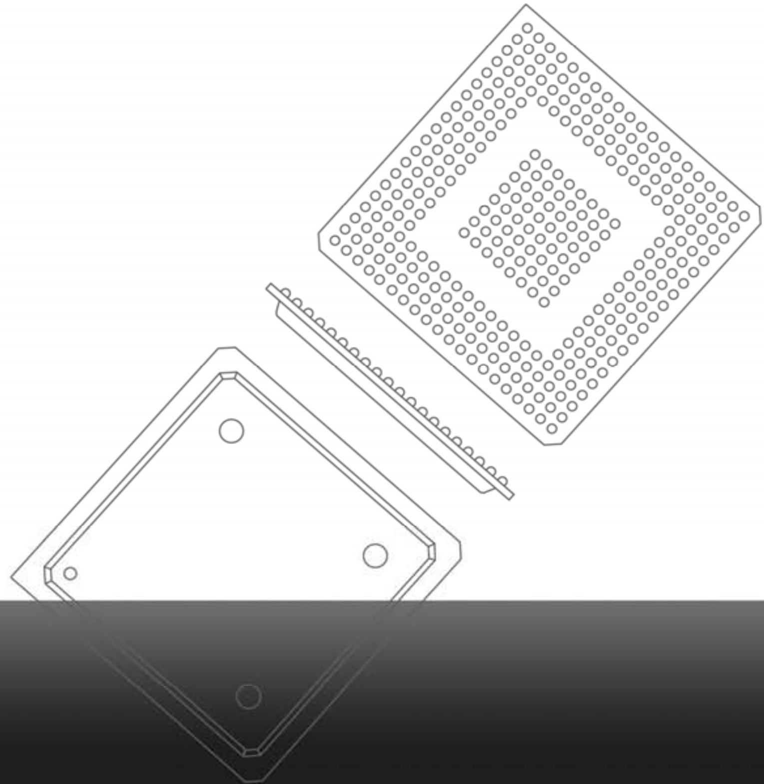
AXELL CORPORATION

Fiscal year ended March 31, 2011
Financial Results Presentation for FY 2010

Yuzuru Sasaki, President

Nobuhiro Sendai, Director

April 26, 2011



Trends in the amusement device market

Decline in profitability of amusement facilities due to such factors as long-term slowdown of domestic economy and widespread popularization of low-price sales initiatives

Demand concentrated on a few models such as well-established and major models → sales of new units are sluggish on the whole

Refraining from replacing old units with new ones in conjunction with the hosting of the APEC meeting

Cost-cutting measures by amusement device manufacturers → re-use implemented on a full scale at circuit board level (Impact on AG301)

Popularity of pachislot machines following recovery trend

Population of players increased for two consecutive years due to such factors as popularization of low-price sales initiatives

Trends in the embedded system market

Growth in demand for various embedded systems driven by such factors as recovery of overseas economies

Analysis of market scale and number of AXELL's Graphics LSI

(Unit: 10 thousand)

	(initial plan)		(revised Sep. 15)		(revised March. 23)		(actual)
Market scale analysis: Number of units of amusement devices sold	380	−50	330	−	330	−	330
Pachinko machines	300		250		250		250
Pachislot machines	80		80		80		80
Number of units of AM-GLSI sold	245	−85	160	−18	142	−	142
Re-use/inventory adjustment	—		55	+15	70	−	70

* Expected values of market scale analysis, the basis of earnings forecast, are used for market scale (number of units of amusement devices sold annually) and re-use/inventory adjustment.

* AM-GLSI refers to Graphics LSI for the amusement device market.

Non-consolidated Statements of Income for FY 2010 (compared to plan)

(Unit: 1 million yen)

	Initial plan		Revised Sep. 15		Revised Mar. 23		FY 2010 results	
Net sales	15,000	100%	9,130	100%	8,190	100%	8,199	100%
Cost of sales	7,020	47%	4,150	45%	3,740	46%	3,742	46%
Gross profit	7,980	53%	4,980	55%	4,450	54%	4,456	54%
Selling, general and administrative expenses	3,240	22%	3,010	33%	2,900	35%	2,888	35%
Operating income	4,740	32%	1,970	22%	1,550	19%	1,568	19%
Ordinary income	4,750	32%	1,980	22%	1,560	19%	1,584	19%
Net income	2,930	20%	1,280	14%	1,020	12%	1,043	13%

(Unit: 1 million yen)

	FY 2009	Sales ratio	FY 2010	Sales ratio	Increase	Rate of increase
Net sales	15,495	100%	8,199	100%	−7,295	−47%
Cost of sales	6,621	43%	3,742	46%	−2,879	−43%
Gross profit	8,873	57%	4,456	54%	−4,416	−50%
Selling, general and administrative expenses	2,662	17%	2,888	35%	225	8%
Operating income	6,211	40%	1,568	19%	−4,642	−75%
Ordinary income	6,224	40%	1,584	19%	−4,640	−75%
Net income	3,840	25%	1,043	13%	−2,797	−73%

Order backlog at end of FY 2010: 2,146 million yen

Main causes of decrease in net sales by 7,295 million yen to 8,199 million yen

AM Graphics LSI: 7,345 million yen (down 5,547 million yen)

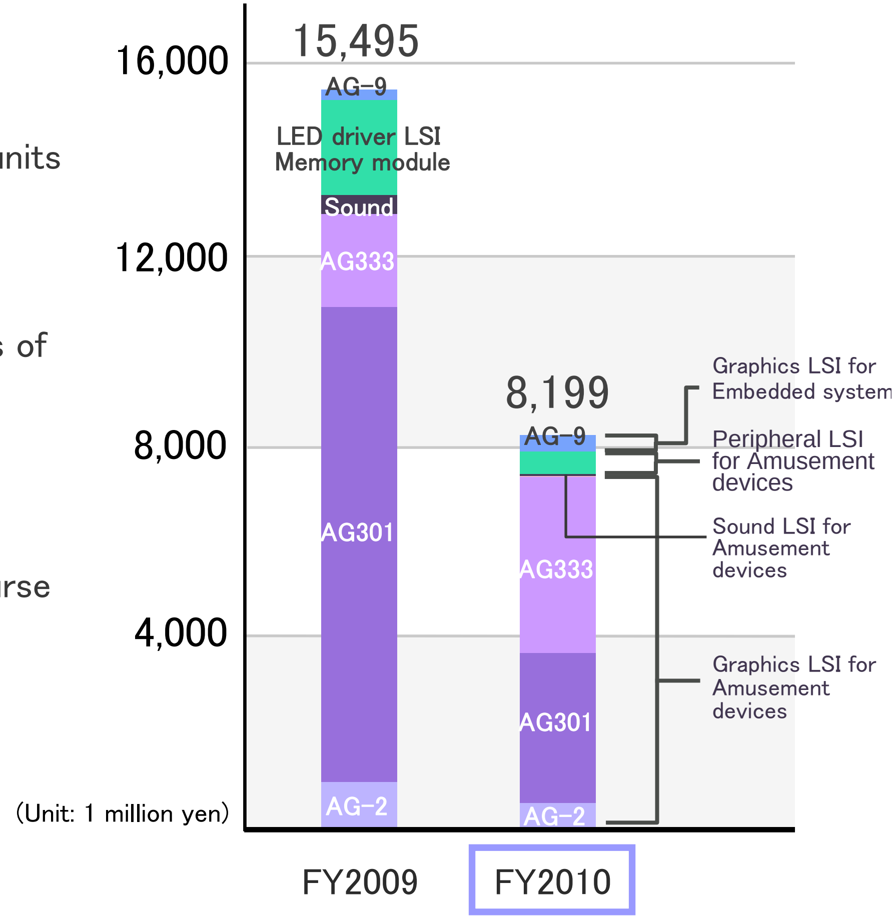
- Number of units sold: 2.62 million units →1.42 million units
  Contraction of market, Re-use, Inventory adjustments, Customer manufacturing trends
- Percentage of AG333 (13% → 43%) *Based on the number of units

Other: 854 million yen (down 1,747 million yen)

- Sound LSI:
  Decrease due to incorporation of sound-generating functions of AG333 and demand trends among customers
- LED driver LSI and memory module:
  Decrease due to demand trends among particular customers
- EM Graphics LSI:
  Increase in sales as the inventory adjustment has run its course following the improvement in overseas economies

Gross Profit Margin	FY 2009	FY 2010
AM Graphics LSI	60%	56%
Other	45%	36%
Total	57%	54%

Net sales (compared to FY 2009)



(Unit: 1 million yen)

	FY 2009	Proportion	FY 2010	Proportion	Increase	Rate of increase
Selling, general and administrative expenses	2,662	100%	2,888	100%	225	8%
Personal expenses	532	20%	536	19%	4	1%
R&D expenditures	1,586	60%	1,767	61%	181	11%
Other	544	20%	584	20%	40	7%

(Unit: 1 million yen)

	FY 2009	Proportion	FY 2010	Proportion	Increase	Rate of increase
Total R&D expenditures	1,586	100%	1,767	100%	181	11%
Personal expenses	598	38%	628	36%	30	5%
Prototype development expenses	463	29%	557	32%	94	20%
Other development expenses	154	10%	207	12%	53	34%
Other	369	23%	373	21%	3	1%

*Major prototype development in FY 2010: AG401 and AG11, etc.

Trend in the number of employees in FY 2010 (compared to FY 2009)

Trend in the number of employees	End of FY 2009	End of FY 2010
Number of employees	70	73
R&D	40	43
Quality assurance	1	1
Sales	8	8
Management, other	21	21

R&D personnel	End of FY 2009	End of FY 2010
LSI design and development	13	14
Software development	18	20
System development	9	9
Total	40	43

(Unit: 1 million yen)

	End of FY 2009	Proportion	End of FY 2010	Proportion	Rate of increase
Current assets	15,178	96%	12,398	93%	-18%
Cash and deposits	9,309	59%	6,428	48%	-31%
Short-term investment securities	3,999	25%	3,999	30%	0%
Accounts receivable-trade	1,342	8%	853	6%	-36%
Other	526	3%	1,117	8%	112%
Noncurrent assets	672	4%	934	7%	39%
Total assets	15,850	100%	13,332	100%	-16%
Current liabilities	2,288	14%	819	6%	-64%
Noncurrent liabilities	-	-	11	0%	-
Total liabilities	2,288	14%	831	6%	-64%
Total net assets	13,562	86%	12,501	94%	-8%
Total liabilities and net assets	15,850	100%	13,332	100%	-16%

(Unit: 1 million yen)

	FY 2009	FY 2010
Cash and cash equivalents at beginning of period	11,796	13,309
Net increase (decrease) in cash and cash equivalents	1,512	−2,881
Net cash provided by (used in) operating activities	3,825	−344
Net cash provided by (used in) investing activities	−276	−428
Net cash provided by (used in) financing activities	−2,036	−2,108
Cash and cash equivalents at end of period	13,309	10,427

Net cash provided by (used in) operating activities

Income before income taxes : 1,582 million yen

Depreciation and amortization : 225 million yen

Decrease in notes and accounts receivable-trade : 489 million yen

Decrease in notes and accounts payable-trade : −293 million yen

Decrease in accrued consumption taxes : −252 million yen

Income taxes paid : −2,290 million yen

Net cash provided by (used in) investing activities

Purchase of development software, etc. : −44 million yen

Purchase of property, plant and equipment, etc. : −55 million yen

Purchase of stocks of subsidiaries and affiliates : −250 million yen

Net cash provided by (used in) financing activities

Cash dividends paid : −2,107 million yen

Trends in the amusement device market

Decline in profitability of amusement facilities due to such factors as long-term slowdown of domestic economy and popularization of low-price sales initiatives

Demand concentrated on a few models such as well-established and major models

Re-use of amusement device components including the Company's products → Impact on AG 301

Impact of Great East Japan Earthquake

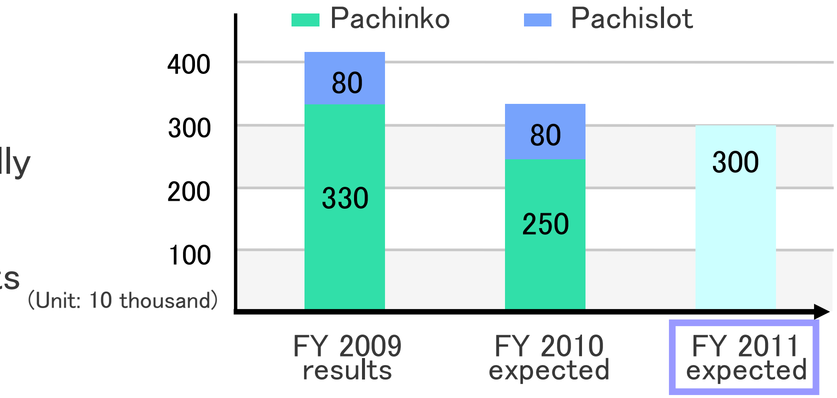
- Damage to amusement facilities on the coast of Tohoku region
- Reduction of business hours of amusement facilities in response to conserving electricity
- Move to refrain from replacing old units of amusement devices with new ones in some areas
- Delay in supply of components and parts whose manufacturing facilities are located in afflicted areas

Earnings forecast assumption for FY 2011

Number of units of amusement devices sold annually
→ 3 million units

Re-use of "AG301" → Approximately 600,000 units

The Company's expected number of units of amusement devices sold annually



*The figures for the number of units of amusement devices sold annually are based on data disclosed by research institutions and the Company's analysis.

Non-consolidated Statements of Income for FY 2011 (planned)

(Unit: 1 million yen)

	FY 2010	Sales ratio	FY 2011	Sales ratio	Increase	Rate of increase
Net sales	8,199	100%	8,200	100%	0	0%
Cost of sales	3,742	46%	3,900	48%	157	4%
Gross profit	4,456	54%	4,300	52%	−156	−4%
Selling, general and administrative expenses	2,888	35%	3,100	38%	211	7%
Operating income	1,568	19%	1,200	15%	−368	−24%
Ordinary income	1,584	19%	1,200	15%	−384	−24%
Net income	1,043	13%	800	10%	−243	−23%

Planned net sales: 8,200 million yen

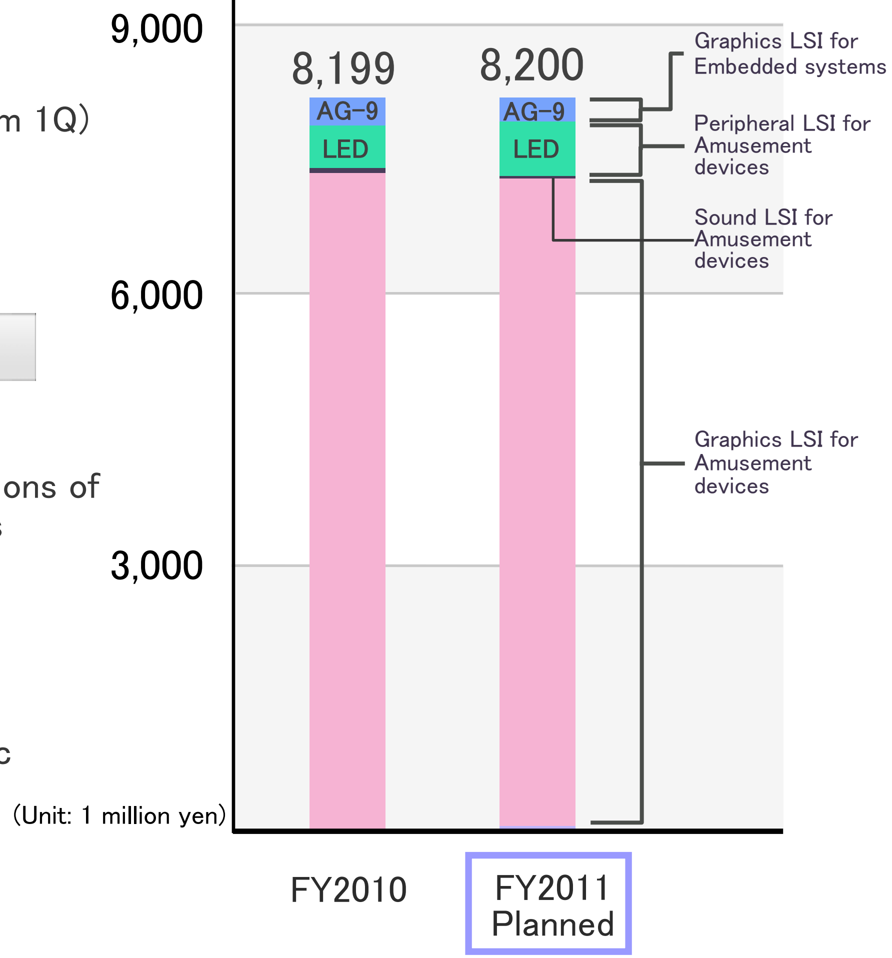
AM Graphics LSI: 7,280 million yen (down 65 million yen)

- Number of units sold: 1.42 million units →1.32 million units
- Commencement of mass production of "AG-4" series (from 1Q)
  Sales of 25%-plus expected for full year
  (Nearly 30% for AG333) *Base on the number of units

Other: 920 million yen (up 65 million yen)

- Sound LSI:
  Decrease due to incorporation of sound-generating functions of integrated products and demand trends among customers
- LED driver LSI:
  Increase in demand expected from particular customers
- EM Graphics LSI:
  Slight decrease in demand expected considering economic conditions in spite of recovery trend

Net sales (compared to FY 2010)



Non-consolidated selling, general and administrative expenses of FY 2011 (planned)

(Unit: 1 million yen)

	FY 2010	Proportion	FY 2011	Proportion	Increase	Rate of increase
Selling, general and administrative expenses	2,888	100%	3,100	100%	211	7%
Personal expenses	536	19%	520	17%	−16	−3%
R&D expenditures	1,767	61%	1,930	62%	162	9%
Other	584	20%	650	21%	65	11%

(Unit: 1 million yen)

	FY 2010	Proportion	FY 2011	Proportion	Increase	Rate of increase
Total R&D expenditures	1,767	100%	1,930	100%	162	9%
Personal expenses	628	36%	630	33%	1	0%
Prototype development expenses	557	32%	360	19%	−197	−35%
Other development expenses	207	12%	370	19%	162	78%
Other	373	21%	570	30%	196	53%

*Major prototype development in FY 2011: AG11, etc.

Non-consolidated Statements of Income for the first-half of FY 2011 (planned)

(Unit: 1 million yen)

	2Q FY 2010	Sales ratio	2Q FY 2011	Sales ratio	Increase	Rate of increase
Net sales	3,950	100%	3,700	100%	−250	−6%
Cost of sales	1,810	46%	1,700	46%	−110	−6%
Gross profit	2,139	54%	2,000	54%	−139	−7%
Selling, general and administrative expenses	1,484	38%	1,500	41%	15	1%
Operating income	655	17%	500	14%	−155	−24%
Ordinary income	662	17%	500	14%	−162	−25%
Net income	428	11%	340	9%	−88	−21%

Planned net sales for first-half: 3,700 million yen

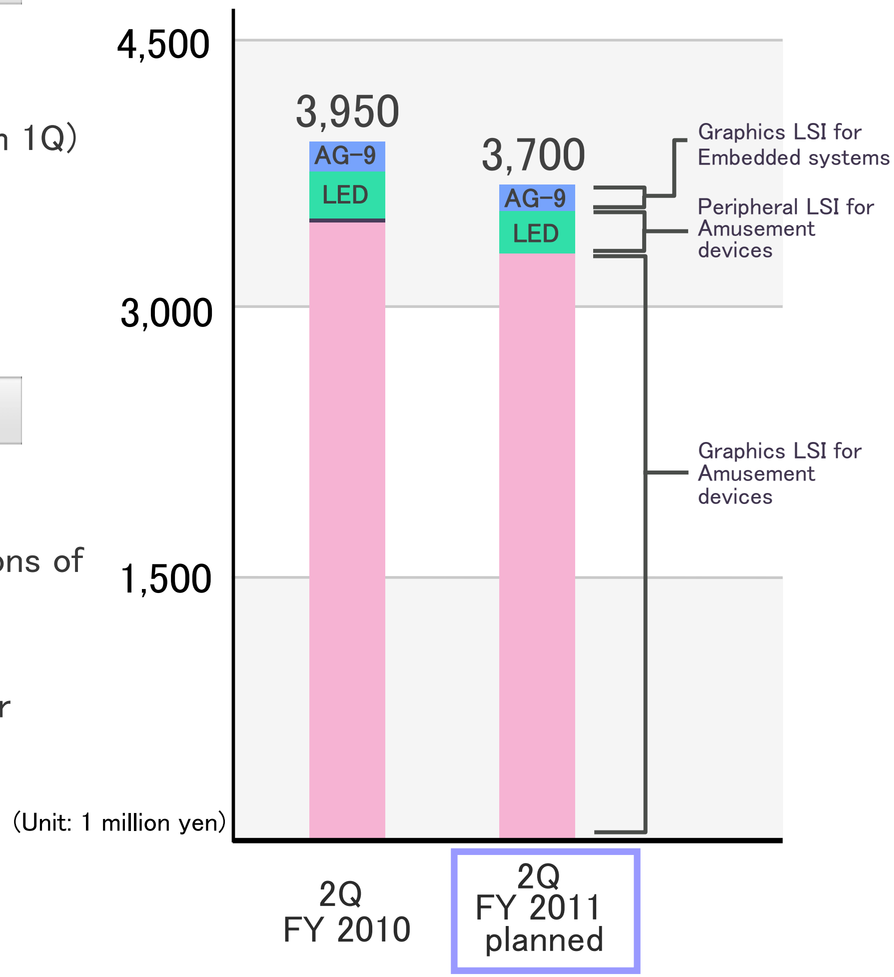
AM Graphics LSI: 3,320 million yen (down 171 million yen)

- Number of units sold: 670,000 units →630,000 units
- Commencement of mass production of "AG-4" series (from 1Q)
  Sales of nearly 20% expected for first-half
  (About 25% for AG333) *Based on the number of units

Other: 380 million yen (down 78 million yen)

- Sound LSI:
  Decrease due to incorporation of sound-generating functions of integrated products and demand trends among customers
- LED driver LSI:
  Decrease expected due to demand trends among particular customers for first-half
- EM Graphics LSI:
  Slight decrease in demand expected considering economic conditions in spite of recovery trend

Net sales (compared to FY 2010)



(Unit: 1 million yen)

	2Q FY 2010	Proportion	2Q FY 2011	Proportion	Increase	Rate of increase
Selling, general and administrative expenses	1,484	100%	1,500	100%	15	1%
Personal expenses	249	17%	255	17%	5	2%
R&D expenditures	927	62%	925	62%	-2	-0%
Other	308	21%	320	21%	11	4%

(Unit: 1 million yen)

	2Q FY 2010	Proportion	2Q FY 2011	Proportion	Increase	Rate of increase
Total R&D expenditures	927	100%	925	100%	-2	-0%
Personal expenses	276	30%	300	32%	23	9%
Prototype development expenses	361	39%	190	21%	-171	-47%
Other development expenses	117	13%	165	18%	47	40%
Other	171	19%	270	29%	98	57%

*Major prototype development in the first-half of FY 2011: AG11, etc.

Dividends (planned) for FY 2011

Policy for determining dividend amounts

Profits will be returned to shareholders fundamentally through dividends

Dividends are linked to business performance (dividend-payout-ratio doctrine: the basis of calculations is non-consolidated basis → Dividend payout ratio: 50%)

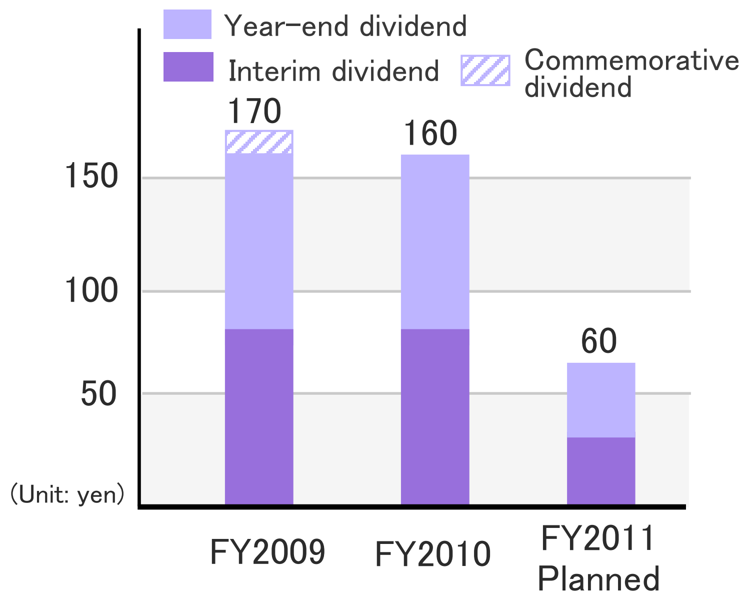
Pay stable dividends with consideration for the dividend amounts in previous fiscal years after taking into account the status of surplus, etc. (three years of selling, general and administrative expenses are internal reserves)

Status of Dividend Payments and Plan

	FY 2009	FY 2010	FY 2011 plan
Dividend per share	170yen	160yen	60yen
Interim dividend	80yen	80yen	30yen
Year-end dividend	80yen	80yen	30yen
Commemorative dividend	10yen	—	—
Dividend payout ratio	55%	190%	93%

＊Dividend to commemorate listing on Tokyo Stock Exchange was paid.

Trend in dividend per share



(Unit: 1 million yen)

	Non-consolidated	Sales ratio	Consolidated	Sales ratio	Increase	Rate of increase
Net sales	8,200	100%	8,200	100%	0	0%
Cost of sales	3,900	48%	3,900	48%	0	0%
Gross profit	4,300	52%	4,300	52%	0	0%
Selling, general and administrative expenses	3,100	38%	3,350	41%	250	8%
Operating income	1,200	15%	950	12%	−250	−21%
Ordinary income	1,200	15%	950	12%	−250	−21%
Net income	800	10%	550	7%	−250	−31%

With regard to earnings forecast for NEW ZONE CORPORATION, which is to be a consolidated subsidiary, for the fiscal year ending March 31, 2012, the accounting of R&D expenditures for future growth is planned prior to other expenses.

(Unit: 1 million yen)

	Non-consolidated	Sales ratio	Consolidated	Sales ratio	Increase	Rate of increase
Net sales	3,700	100%	3,700	100%	0	0%
Cost of sales	1,700	46%	1,700	46%	0	0%
Gross profit	2,000	54%	2,000	54%	0	0%
Selling, general and administrative expenses	1,500	41%	1,700	46%	200	13%
Operating income	500	14%	300	8%	-200	-40%
Ordinary income	500	14%	300	8%	-200	-40%
Net income	340	9%	180	5%	-160	-47%

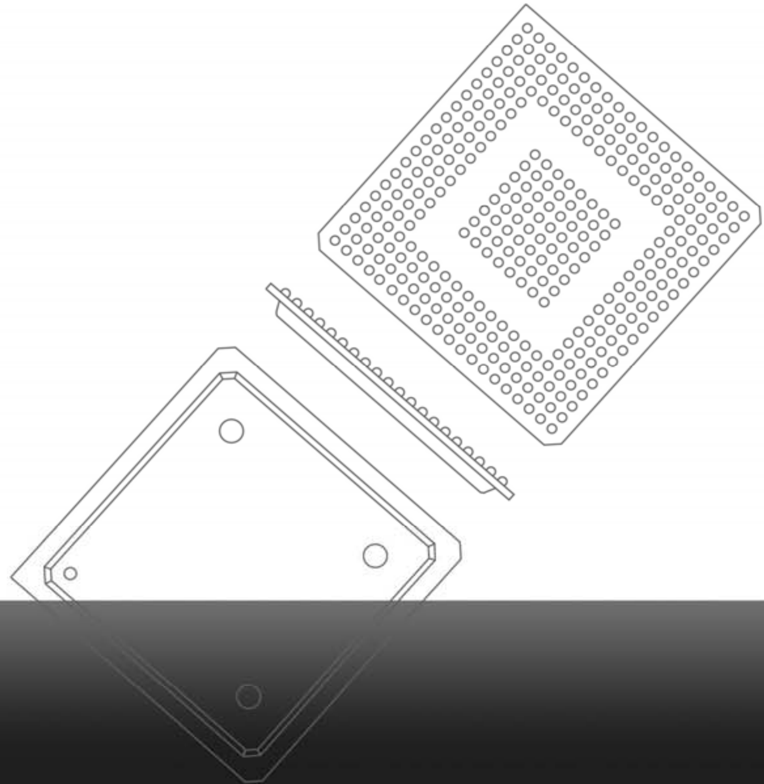
With regard to earnings forecast for NEW ZONE CORPORATION, which is to be a consolidated subsidiary, for the fiscal year ending March 31, 2012, the accounting of R&D expenditures for future growth is planned prior to other expenses.

Securities Code: 6730

AXELL CORPORATION

Growth Strategy for the Future

Yuzuru Sasaki, President



Future product strategy for the amusement device market

Enhancement of basic functions as Graphics LSI
→ Diverse visual effects functions that produce enhanced game-playing experiences
High-speed drawing and other functions that realize diverse expressions

Reduction of customers' system costs
→ Promotion of integrated chip (contraction of circuit board size, reduction of common parts, etc.)
Further enhancement of compression performance (reduction of memory cost)
System-conscious product development

Development efficiency on the customer side
→ Provision of more advanced development-support environment
Further enhancement of development environment including LED tools, in addition to graphics and sound

▼

Expansion of technical contribution for each unit of amusement device

*No particular progress had been made with respect to the lawsuit with YAMAHA.
The Company intends to continue asserting its legitimacy at the trial.

Future strategy for the embedded system market

Product strategy for the embedded system market

Sales expansion of AG-9 series: Continuation of steady sales activities

Mass production of AG10: Engaging in sales promotion activities for target customers (POS, ATM, etc.)

- Strengthening of relations with board vendors (OMRON Corp., DUX Inc., DFI, Inc., etc.)
- Enhancement of technical support and maintenance
- Development of authoring tool

Development of next-generation products with an eye to overseas business development:
Development of "AG11" (Joint marketing with Intel Corporation, etc.)

Screen images of authoring tool

Cultivation of new business fields

Establishment of NEW ZONE CORPORATION

Business category: From discovering projects to creation, execution and management of plot plans

→ Select the most appropriate partners in each field of specialization, and develop businesses with sense of scale by utilizing external resources

NEW ZONE's first project is the development of products in the field of Digital Convenience Radio.

Characteristics of Digital Convenience Radio

Application of data transmission expanded through digitalization (digitalization commenced in August 2008)

No charges of monthly fees like the use of PHS, mobile phone, etc. (market expansion thanks to low cost)

Can be used anywhere and for any purpose, and direct communication range covers long distance

Products under development

Graphics LSI with built-in high compression codec

Clear image transmission at high compression, low bit rate

Modem/RF LSI

Integration of modem and RF parts into LSI (realizes cheaper radio parts for embedded systems than existing ones)

AXELL Group's business strategy

AXELL's strengths

Scheme development capability/ External network capability

Development and design capability

Marketing and product-planning capability

Delivery/QC capability

Graphics

Sound

Compression/ Decompression

Create new businesses based on semiconductor technologies

Establish "NEW ZONE CORPORATION" as a subsidiary

AXELL CORPORATION

NEWZONE

AXELL's business domains

Amusement device market

Large market: 3 million+ units/year

- Pachinko
- Pachislot

Products: multifunction LSIs, Graphics LSIs, Sound LSIs, Other peripheral LSIs

Embedded systems market

Multiplex, small to medium scale

- POS systems
- Medical devices
- Ticket vending machines
- Construction machines
- Factory automation
- Digital signage
- Information terminals

Products: Graphics LSIs, Graphics boards

NEW ZONE's business domains

Create new markets that are not bound by existing markets

- 1st project Radio-related
- Market A
- Market B
- Market C
- Market D
- Market E
- Market F

Products: Various LSIs, Board products, End products

Vision for medium-term growth

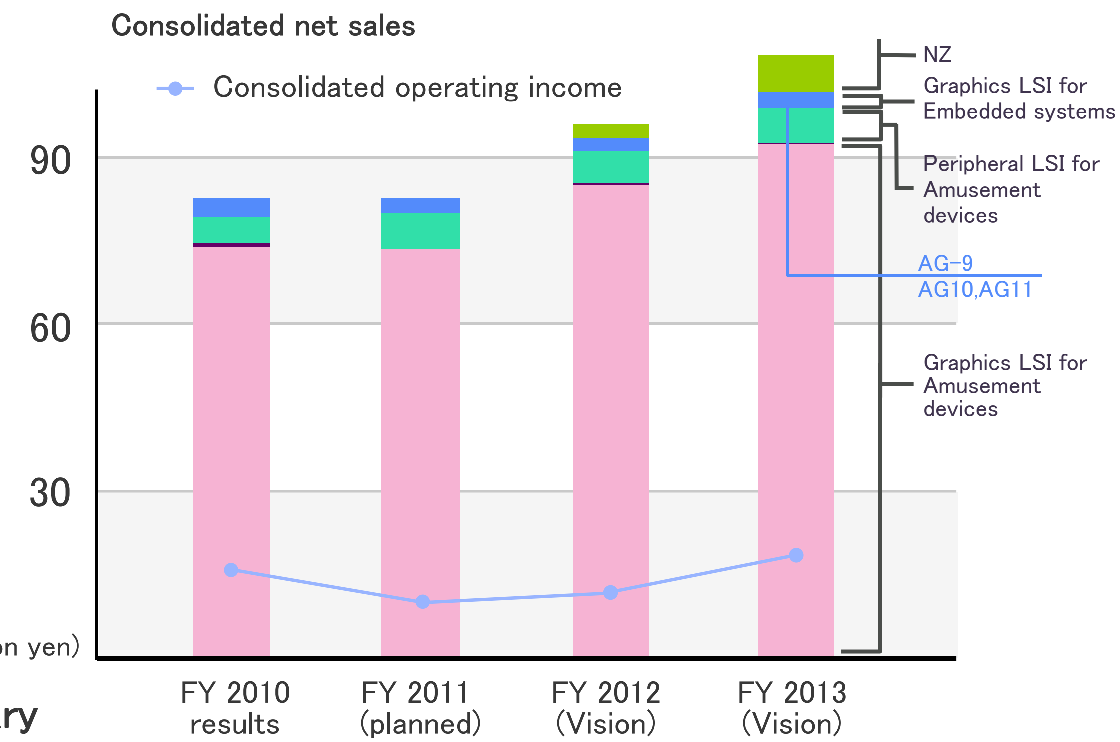
The vision for growth was formulated based on the assumption that the number of units of amusement devices sold annually will be about 3 million units

Driver of future growth

Amusement device market
- Migration to"AG-4"series
- Sales expansion of LED driver LSIs
- Development of "AG-5"

Embedded system market
- Sale of x86 CPU "AG10"
- Development of "AG11"

Cultivation of new businesses by a subsidiary
- Product development in the field of Digital Convenience Radio
- Approach to other areas



Foregoing assumptions (million units)

	FY 2010	FY 2011	FY 2012	FY 2013
Number of units of AM-GLSI sold	1.42	1.32	1.45	1.52
Re-use	0.7	0.6	0.5	0.4
Number of units of amusement devices sold annually	3.3	3	3	3

Numerical forecasts and other forward-looking statements contained herein are based on assumptions made at the time of preparing this document. Actual results may substantially differ due to a wide range of factors.

AXELL CORPORATION