

**Financial Results for
the First Half of the Fiscal Year
ending March 31, 2006**

NEC Mobiling, Ltd.

Note: This document has been prepared as a guide to non-Japanese analysts for their convenience only and is a translation summary of the Japanese language original. The company does not assure the accuracy of the translation. All numbers are rounded off to the nearest unit in accordance with standard Japanese practice. This document contains forward-looking statements that are based on assumptions and projection at date of publication. A number of factors could cause actual results to differ materially from expectations.

Financial Results for the First Half of the Fiscal Year ending March 31, 2006

Company Name: NEC Mobiling, Ltd.

Head Office: Yokohama, Japan

President: Yoshitake Matsuo

Inquiries: IR Office

Telephone: +81 45 476 6622

Parent Company: NEC Corporation

Parent's Ownership Stake: 51.00%

Date of Publication: October 27, 2005

Listed Exchanges: Tokyo Stock Exchange

Stock Code: 9430

Homepage: <http://www.nec-mobiling.com/>

Shares sold in units: 1 unit = 100 shares

U.S. GAAP Accounting Principles: Not adopted

1. Financial Results for the First Half (April 1, 2005 to September 30, 2005)

(1) Business Results

(Units: Millions of yen)

	First Half ended September 30, 2004		First Half ended September 30, 2005		Full Year Ended March 31, 2005
	% change		% change		
Net Sales	72,625	(3.8%)	59,459	(18.1%)	140,195
Operating Income	2,776	(10.4%)	1,439	(48.2%)	3,887
Ordinary Income	2,793	(9.8%)	1,380	(50.6%)	3,855
Net Income	1,594	(5.5%)	802	(49.7%)	2,105
Net Income per Share (Yen)	109.70		55.23		144.88
Net Income per Share, fully diluted	--		--		--

Notes: 1. Equity in earnings of affiliated companies: First Half ended September 30, 2004: --

First Half ended September 30, 2005: --

Full Year ended March 31, 2005: --

2. Average number of shares outstanding during the term: First Half ended September 30, 2004: 14,529,400

First Half ended September 30, 2005: 14,529,400

Full Year ended March 31, 2005: 14,529,400

3. Changes to accounting procedures: None

4. Percentages for Net Sales, Operating Income, Ordinary Income and Net Income represent change from the previous fiscal year.

(2) Dividends

(Units: Yen)

	First Half ended September 30, 2004	First Half ended September 30, 2005	Full Year ended March 31, 2005
Annual Dividends per Share	--	--	45.00
Interim	22.50	22.50	--

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2006

(3) Financial Position

(Units: Millions of yen)

	As of September 30, 2004	As of September 30, 2005	As of March 31, 2005
Total Assets	49,360	48,637	50,715
Shareholders' Equity	22,374	23,034	22,558
Shareholders' Equity Ratio	45.3%	47.4%	44.5%
Shareholders' Equity per Share (Yen)	1,539.89	1,585.34	1,552.57

Notes: 1. Shares outstanding at end of term: First Half ended September 30, 2004: 14,529,400

First Half ended September 30, 2005: 14,529,400

Full Year ended March 31, 2005: 14,529,400

2. Treasury stocks at end of term: First Half ended September 30, 2004: --

First Half ended September 30, 2005: --

Full Year ended March 31, 2005: --

(4) Cash Flows

(Units: Millions of yen)

	First Half ended September 30, 2004	First Half ended September 30, 2005	Full Year Ended March 31, 2005
Net Cash provided by Operating Activities	1,489	2,198	2,550
Net Cash used in Investing Activities	(647)	(436)	(1,029)
Net Cash used in Financing Activities	(290)	(331)	(613)
Cash and Cash Equivalents at end of term	11,783	13,577	12,131

2. Forecast for the Fiscal Year Ending March 31, 2006 (April 1, 2005 to March 31, 2006)

(Units: Millions of yen)

	Full Year April 1, 2005 to March 31, 2006
Net Sales	130,000
Ordinary Income	4,000
Net Income	2,320
Annual Dividend per Share (Yen)	45.00
Year-end (Yen)	22.50

(Reference) Projected Net Income per Share for full year: 159.68 Yen

Forecasts related to future business performance, one aspect of the current strategies, plans and awareness at NEC Mobiling, Ltd. described in these materials, involve risks and uncertain factors. It should be noted that actual business performance may differ greatly from these forecasts due to a variety of factors. Primary factors with an impact on actual business performance include economic conditions and social trends affecting the scope of business of the Company, trend in demand for products and services provided by the Company, pressures for price reductions due to enhanced competition, and the ability of the Company's technological capability to respond to the customer's requests. Factors with an impact on business performance are not limited to those herein described.

Non-consolidated Financial Statements

(1) Balance Sheets

(Units: Millions of yen)

Items	Term	As of September 30, 2004		As of September 30, 2005		Change	As of March 31, 2005		Change in FY 2005
		Amount	%	Amount	%	Amount	Amount	%	Amount
Assets									
Cash on hand and in banks		8,783		10,577		1,794	9,131		1,446
Notes receivables, trade		2		3		1	4		(1)
Accounts receivables, trade		18,543		15,223		(3,320)	18,307		(3,084)
Inventories		6,419		5,561		(858)	5,503		58
Accounts receivable, other		5,062		6,046		984	7,096		(1,050)
Affiliated company deposits		3,000		3,000		--	3,000		--
Deferred tax assets		626		939		313	612		327
Other		612		847		235	704		143
Allowance for doubtful accounts		(90)		(89)		1	(93)		4
Current assets		42,957	87.0	42,107	86.6	(850)	44,264	87.3	(2,157)
Property and equipment		1,106	2.3	1,286	2.6	180	1,198	2.4	88
Intangible assets		1,732	3.5	1,362	2.8	(370)	1,582	3.1	(220)
Investments and other assets		3,565	7.2	3,882	8.0	317	3,671	7.2	211
Deferred tax assets		1,275		1,226		(49)	1,367		(141)
Other		2,332		2,699		367	2,346		353
Allowance for doubtful accounts		(42)		(43)		(1)	(42)		(1)
Fixed assets		6,403	13.0	6,530	13.4	127	6,451	12.7	79
Total assets		49,360	100.0	48,637	100.0	(723)	50,715	100.0	(2,078)
Liabilities									
Notes payable, trade		508		402		(106)	619		(217)
Accounts payable, trade		12,762		11,739		(1,023)	12,731		(992)
Accrued corporate taxes		1,175		713		(462)	590		123
Accrued expenses		8,351		7,733		(618)	9,554		(1,821)
Reserve for point service program		19		--		(19)	1		(1)
Other		1,123		1,366		243	1,312		54
Current liabilities		23,938	48.5	21,953	45.1	(1,985)	24,807	48.9	(2,854)
Accrued pension and severance costs		2,896		3,402		506	3,183		219
Deposits received for guarantee		152		248		96	167		81
Long-term liabilities		3,048	6.2	3,650	7.5	602	3,350	6.6	300
Total liabilities		26,986	54.7	25,603	52.6	(1,383)	28,157	55.5	(2,554)
Shareholders' equity									
Common stock		2,371	4.8	2,371	4.9	--	2,371	4.7	--
Additional paid-in capital		2,707	5.5	2,707	5.6	--	2,707	5.3	--
Additional paid-in capital		2,707		2,707		--	2,707		--
Retained earnings		17,295	35.0	17,955	36.9	660	17,479	34.5	476
Legal reserve		21		21		--	21		--
Appropriated		14,960		16,460		1,500	14,960		1,500
Unappropriated retained earnings		2,314		1,474		(840)	2,498		(1,024)
Unrealized gain on marketable securities		1	0.0	1	0.0	--	1	0.0	--
Total shareholders' equity		22,374	45.3	23,034	47.4	660	22,558	44.5	476
Total liabilities and shareholders' equity		49,360	100.0	48,637	100.0	(723)	50,715	100.0	(2,078)

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2006

(2) Statements of Income

(Units: Millions of yen)

<div> <div>Term</div> <div>Items</div> </div>	First Half ended September 30, 2004		First Half ended September 30, 2005		Change		Full Year ended March 31, 2005	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	72,625	100.0	59,459	100.0	(13,166)	(18.1)	140,195	100.0
Cost of sales	65,586	90.3	53,352	89.7	(12,234)		127,676	91.1
Gross profit	7,039	9.7	6,107	10.3	(932)	(13.2)	12,519	8.9
Selling, general and administrative expenses	4,263	5.9	4,668	7.9	405		8,632	6.1
Operating income	2,776	3.8	1,439	2.4	(1,337)	(48.2)	3,887	2.8
Non-operating income	34	0.0	39	0.1	5		18	0.0
Non-operating expenses	17	0.0	98	0.2	81		50	0.1
Ordinary income	2,793	3.8	1,380	2.3	(1,413)	(50.6)	3,855	2.7
Extraordinary gains	9	0.0	--	--	(9)		6	0.0
Extraordinary losses	93	0.1	--	--	(93)		236	0.1
Income before income taxes	2,709	3.7	1,380	2.3	(1,329)	(49.1)	3,625	2.6
Corporate, inhabitants and enterprise taxes	1,186	1.6	764	1.3	(422)		1,669	1.2
Deferred income taxes	(71)	(0.1)	(186)	(0.3)	(115)		(149)	(0.1)
Net income	1,594	2.2	802	1.3	(792)	(49.7)	2,105	1.5
Unappropriated retained earnings at beginning of term	720		672		(48)		720	
Interim dividends	--		--		--		327	
Unappropriated retained earnings at end of term	2,314		1,474		(840)		2,498	

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2006

(3) Statements of Cash Flows

(Units: Millions of yen)

Items	Term	First Half ended September 30, 2004	First Half ended September 30, 2005	Change	Full Year ended March 31, 2005
		Amount	Amount	Amount	Amount
Cash flows from operating activities					
Income before income taxes		2,709	1,380	(1,329)	3,625
Depreciation		450	478	28	922
Decrease in allowance for doubtful accounts		(9)	(3)	6	(6)
Increase (decrease) in accrued pension and severance costs		204	(5)	(209)	321
Interest and dividend income		(3)	(4)	(1)	(6)
Interest expenses		1	1	--	3
Foreign exchange gain		(13)	(15)	(2)	(5)
Loss on sales of property and equipment		--	--	--	5
Loss on disposal of property and equipment		15	21	6	41
Loss on disposal of intangible assets		--	1	1	--
Loss on devaluation of intangible assets		--	75	75	--
Loss on devaluation of investment securities		--	--	--	50
Decrease in notes and accounts receivable, trade		2,728	3,085	357	2,963
Decrease (increase) in inventories		19	(58)	(77)	957
Decrease (increase) in accounts receivable, other		1,211	1,050	(161)	(823)
Decrease in notes and accounts payable, trade		(3,079)	(1,186)	1,893	(3,036)
(Decrease) Increase in accrued expenses		(986)	(1,821)	(835)	216
Increase (decrease) in consumption tax payable		44	(91)	(135)	75
(Decrease) increase in deposits received		(129)	124	253	(63)
Other		32	(193)	(225)	127
Sub-total		3,194	2,839	(355)	5,366
Proceeds from interest and dividend income		3	4	1	6
Payments for interest expense		(1)	(1)	--	(3)
Payments for income taxes and other		(1,707)	(644)	1,063	(2,819)
Net cash provided by operating activities		1,489	2,198	709	2,550
Cash flows from investing activities					
Purchases of property and equipment		(220)	(222)	(2)	(389)
Proceeds from sales of property and equipment		--	--	--	1
Purchases of intangible assets		(221)	(204)	17	(376)
Acquisition of sales operation for mobile phones		(76)	--	76	(108)
Investment to affiliated company		(137)	--	137	(164)
Other		7	(10)	(17)	7
Net cash used in investing activities		(647)	(436)	211	(1,029)
Cash flows from financing activities					
Dividends paid		(290)	(331)	(41)	(613)
Net cash used in financing activities		(290)	(331)	(41)	(613)
Effect of exchange rate changes on cash and cash equivalents		13	15	2	5
Increase in cash and cash equivalents		565	1,446	881	913
Cash and cash equivalents at beginning of term		11,218	12,131	913	11,218
Cash and cash equivalents at end of term		11,783	13,577	1,794	12,131

(4) Supplementary Information

(Units: Millions of yen)

	First Half ended September 30, 2004	First Half ended September 30, 2005	% Change	Forecast for Full Year ending March 31, 2006	% Change from FY 2004
Net sales	72,625	59,459	(18.1%)	130,000	(7%)
Operating income <Operating income to Net sales>	2,776 <3.8%>	1,439 <2.4%>	(48.2%)	4,000 <3.1%>	3%
Ordinary income <Ordinary income to Net sales>	2,793 <3.8%>	1,380 <2.3%>	(50.6%)	4,000 <3.1%>	4%
Net income <Net income to Net sales>	1,594 <2.2%>	802 <1.3%>	(49.7%)	2,320 <1.8%>	10%
Net income per share	109.70Yen	55.23Yen	--	159.68Yen	--
Dividend per share	22.50Yen	22.50Yen	--	45.00Yen	--
Dividend payout Ratio	20.5%	40.7%	--	28.2%	--
Total assets Turnover	2.85Times	2.39Times	--	2.43Times	--
Return on assets	10.9%	5.6%	--	7.5%	--
Return on equity	14.7%	7.0%	--	9.9%	--
Net cash provided by Operating activities	1,489	2,198	47.6%	3,900	53%
Net cash used in Investing activities	(647)	(436)	--	(3,200)	--
Free cash flows	842	1,762	109.5%	700	(54%)
Net cash used in Financing activities	(290)	(331)	--	(660)	--
R&D expenses	216	247	14.4%	480	0%
Number of employees	1,494	1,487	--	1,480	--

(5) Business Segment Information

(Units: Millions of yen)

		First Half ended September 30, 2004		First Half ended September 30, 2005		% Change	Forecast for Full Year ending March 31, 2006		% Change from FY 2004
		Amount	%	Amount	%	%	Amount	%	%
Mobile Software Business	Net sales	7,664	10.6	4,480	7.5	(41.5)	8,150	6.3	(39)
	Operating income	185	6.6	133	9.3	(27.8)	140	3.5	--
	%	2.4%		3.0%			1.7%		
Mobile Integration & Support Business	Net sales	14,050	19.3	10,586	17.8	(24.7)	25,600	19.7	(4)
	Operating income	1,448	52.2	577	40.1	(60.1)	1,980	49.5	(15)
	%	10.3%		5.5%			7.7%		
Mobile Sales Business	Net sales	50,911	70.1	44,393	74.7	(12.8)	96,250	74.0	(4)
	Operating income	1,143	41.2	729	50.6	(36.3)	1,880	47.0	(4)
	%	2.2%		1.6%			2.0%		
Total	Net sales	72,625	100.0	59,459	100.0	(18.1)	130,000	100.0	(7)
	Operating income	2,776	100.0	1,439	100.0	(48.2)	4,000	100.0	3
	%	3.8%		2.4%			3.1%		