

Financial Results for the Fiscal Year ended March 31, 2007

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 the date of publication. A number of factors could cause actual results to differ materially from expectations.

Financial Results for the Fiscal Year ended March 31, 2007

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%

Changes to accounting procedures: None

Date of Publication: May 14, 2007

Listed Exchanges: Tokyo Stock Exchange

Stock Code: 9430

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

Expected Date of General Shareholders Meeting: June 22, 2007

U.S. GAAP Accounting Principles: Not adopted

1. Financial Results for the Full Year ended March 31, 2007

(1) Business Results

(Units: Millions of yen)

	Full Year ended March 31, 2006		Full Year ended March 31, 2007	
		% change		% change
Net Sales	127,590	(9.0%)	130,253	2.1%
Operating Income	4,189	7.8%	5,605	33.8%
Ordinary Income	4,078	5.8%	5,641	38.3%
Net Income	2,117	0.6%	3,222	52.2%
Net Income per Share (Yen)	145.71		221.76	
Net Income per Share, fully diluted (Yen)	--		--	
Return on Equity	9.1%		12.7%	
Return (Ordinary Income) on Assets	7.6%		9.5%	
Operating Income to Net Sales	3.3%		4.3%	

Notes: 1. Equity in earnings of affiliated companies: Full Year ended March 31, 2006: --
Full Year ended March 31, 2007: --

2. Average number of shares outstanding during the year: Full Year ended March 31, 2006: 14,529,400
Full Year ended March 31, 2007: 14,529,399

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

(2) Financial Position

(Units: Millions of yen)

	As of March 31, 2006	As of March 31, 2007
Total Assets	56,465	61,832
Net Assets	23,994	26,573
Net Assets Ratio	42.5%	43.0%
Net Assets per Share (Yen)	1,651.43	1828.94

Notes: 1. Shares outstanding at end of year: As of March 31, 2006: 14,529,400
As of March 31, 2007: 14,529,400

2. Treasury stocks at end of year: As of March 31, 2006: --
As of March 31, 2007: 16

(3) Cash Flows

(Units: Millions of yen)

	Full Year ended March 31, 2006	Full Year ended March 31, 2007
Net Cash provided by Operating Activities	4,324	5,580
Net Cash used in Investing Activities	(1,941)	(1,304)
Net Cash used in Financing Activities	(659)	(653)
Cash and Cash Equivalents at end of year	13,880	17,501

2. Dividends

(Units: Millions of yen)

	Full Year ended March 31, 2006	Full Year ended March 31, 2007
Annual Dividends per Share (Yen)	45.00	47.50
Interim (Yen)	22.50	22.50
Year - End (Yen)	22.50	25.00
Total Dividends paid (Annual)	654	690
Dividend Payout Ratio	30.9%	21.4%
Dividend Rate for Net Assets	2.7%	2.7%

3. Forecast for the Year ending March 31, 2008

(Units: Millions of yen)

	First Half ending September 30, 2007	Full Year ending March 31, 2008
	% change	% change
Net Sales	58,000 (2.8%)	125,500 (3.6%)
Operating income	2,400 3.0%	5,300 (5.4%)
Ordinary Income	2,450 6.7%	5,400 (4.3%)
Net Income	1,380 5.1%	3,050 (5.3%)
Net Income per Share (Yen)	94.98	209.92
Annual Dividend per Share (Yen)	--	55.00
Interim (Yen)	27.50	27.50
Year-end (Yen)	--	27.50

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

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 March 31, 2006		As of March 31, 2007		Change
		Amount	%	Amount	%	Amount
Assets						
Cash on hand and in banks		9,880		11,501		1,621
Notes receivable, trade		14		1		(13)
Accounts receivable, trade		20,404		19,545		(859)
Marketable securities		--		999		999
Inventories		4,806		4,914		108
Deferred tax assets		971		1,181		210
Accounts receivable, other		8,199		10,227		2,028
Affiliated company deposits		4,000		5,001		1,001
Other		691		636		(55)
Allowance for doubtful accounts		(91)		(4)		87
Current assets		48,874	86.6	54,001	87.3	5,127
Property and equipment		1,244	2.2	1,304	2.1	60
Intangible assets		1,323	2.3	1,588	2.6	265
Goodwill		369		192		(177)
Software		937		1,381		444
Other		17		15		(2)
Investments and other assets		5,024	8.9	4,939	8.0	(85)
Investment securities		969		987		18
Investment in affiliated company		164		164		--
Receivables from companies in bankruptcy and reorganization		43		39		(4)
Deferred tax assets		1,316		1,285		(31)
Lease deposits		2,311		2,179		(132)
Other		261		322		61
Allowance for doubtful accounts		(40)		(37)		3
Fixed assets		7,591	13.4	7,831	12.7	240
Total assets		56,465	100.0	61,832	100.0	5,367
Liabilities						
Notes payable, trade		402		437		35
Accounts payable, trade		15,359		15,632		273
Accounts payable, other		661		498		(163)
Accrued expenses		9,882		12,487		2,605
Accrued corporate taxes		1,408		1,637		229
Advances received		9		84		75
Deposits received		984		828		(156)
Current liabilities		28,705	50.8	31,603	51.1	2,898
Accrued pension and severance costs		3,541		3,434		(107)
Deposits received for guarantee		225		222		(3)
Long-term liabilities		3,766	6.7	3,656	5.9	(110)
Total liabilities		32,471	57.5	35,259	57.0	2,788

Non-consolidated Financial Results for the Fiscal Year ended March 31, 2007

(Units: Millions of yen)

Term Items	As of March 31, 2006		As of March 31, 2007		Change
	Amount	%	Amount	%	Amount
Shareholders' equity					
Common stock	2,371	4.2	--	--	(2,371)
Additional paid-in capital	2,707	4.8	--	--	(2,707)
Additional paid-in capital	2,707		--		(2,707)
Retained earnings	18,942	33.5	--	--	(18,942)
Legal reserve	21		--		(21)
General reserve	16,460		--		(16,460)
Unappropriated retained earnings	2,461		--		(2,461)
Unrealized gains (losses) on marketable securities	(26)	(0.0)	--	--	26
Total shareholders' equity	23,994	42.5	--	--	(23,994)
Total liabilities and shareholders' equity	56,465	100.0	--	--	(56,465)
Net assets					
Common stock	--	--	2,371	3.8	2,371
Additional paid-in capital	--	--	2,707	4.4	2,707
Additional paid-in capital	--		2,707		2,707
Retained earnings	--	--	21,510	34.8	21,510
Legal reserve	--		21		21
Other retained earnings	--		21,489		21,489
General reserve	--		17,860		17,860
Retained earnings brought forward	--		3,629		3,629
Treasury stocks	--	--	(0)	(0.0)	(0)
Total shareholders' equity	--		26,588	43.0	26,588
Unrealized gains (losses) on marketable securities	--		(15)		(15)
Valuation and translation adjustments	--		(15)		(15)
Total net assets	--	--	26,573	43.0	26,753
Total liabilities and net assets	--	--	61,832	100.0	61,832

Note: Accumulated depreciation of Property and equipment: As of March 31, 2006: 1,830
As of March 31, 2007: 1,846

Non-consolidated Financial Results for the Fiscal Year ended March 31, 2007

(2) Statements of Income

(Units: Millions of yen)

Term Items	Full Year ended March 31, 2006		Full Year ended March 31, 2007		Y/Y Change	
	Amount	%	Amount	%	Amount	%
Net sales	127,590	100.0	130,253	100.0	2,663	2.1
Cost of sales	114,169	89.5	115,913	89.0	1,744	
Gross profit	13,421	10.5	14,340	11.0	919	6.8
Selling, general and administrative expenses	9,232	7.2	8,735	6.7	(497)	
Operating income	4,189	3.3	5,605	4.3	1,416	33.8
Non-operating income	82	0.1	154	0.1	72	
Non-operating expenses	193	0.2	118	0.1	(75)	
Ordinary income	4,078	3.2	5,641	4.3	1,563	38.3
Extraordinary gains	--	--	312	0.2	312	
Extraordinary losses	136	0.1	320	0.2	184	
Income before income taxes	3,942	3.1	5,633	4.3	1,691	42.9
Corporate, inhabitants and enterprise taxes	2,115	1.6	2,597	2.0	482	
Deferred income taxes	(290)	(0.2)	(186)	(0.2)	104	
Net income	2,117	1.7	3,222	2.5	1,105	52.2
Unappropriated retained earnings at beginning of year	671		--			
Interim dividends paid	327		--			
Unappropriated retained earnings at end of year	2,461		--			

(3) Statements of Changes in Net Assets

(Full Year ended March 31, 2007)

(Units: Millions of yen)

(Units: Millions of yen)

	Shareholders' equity							
	Common stock	Additional paid-in capital	Retained earnings				Treasury stock	Total share-holders' equity
		Additional paid-in capital	Legal reserve	Other retained earnings		Total retained earnings		
				General reserve	Retained earnings brought forward			
Balance as of March 31, 2006	2,371	2,707	21	16,460	2,461	18,942	--	24,020
Changes of items during the Fiscal Year								
Provision for general reserve	--	--	--	1,400	(1,400)	--	--	--
Dividends from surplus	--	--	--	--	(654)	(654)	--	(654)
Net income	--	--	--	--	3,222	3,222	--	3,222
Purchase of treasury stock	--	--	--	--	--	--	(0)	(0)
Net changes of items other than shareholders' equity	--	--	--	--	--	--	--	--
Total changes of items during the Fiscal Year	--	--	--	1,400	1,168	2,568	(0)	2,568
Balance as of March 31, 2007	2,371	2,707	21	17,860	3,629	21,510	(0)	26,588

	Valuation and translation adjustments	Total net assets
	Unrealized gains (losses) on marketable securities	
Balance as of March 31, 2006	(26)	23,994
Changes of items during the Fiscal Year		
Provision for general reserve	--	--
Dividends from surplus	--	(654)
Net income	--	3,222
Purchase of treasury stock	--	(0)
Net changes of items other than shareholders' equity	11	11
Total changes of items during the Fiscal Year	11	2,579
Balance as of March 31, 2007	(15)	26,573

(4) Statements of Cash Flows

(Units: Millions of yen)

Items	Term	Full Year ended March 31, 2006	Full Year ended March 31, 2007	Y/Y Change
Cash flow from operating activities				
Income before income taxes		3,942	5,633	1,691
Depreciation		979	671	(308)
Decrease in allowance for doubtful accounts		(4)	(90)	(86)
Increase in accrued pension and severance costs		44	144	100
Interest and dividend income		(24)	(120)	(96)
Interest expense		3	1	(2)
Foreign exchange gain (loss)		(25)	2	27
Loss on disposal of property and equipment		78	52	(26)
Loss on disposal of intangible assets		11	50	39
Loss on devaluation of property and equipment		25	3	(22)
Loss on devaluation of intangible assets		140	--	(140)
Gain on transfer of business		--	(312)	(312)
Impairment loss of fixed assets		--	258	258
(Increase) Decrease in notes and accounts receivable, trade		(2,108)	872	2,980
Decrease (increase) in inventories		706	(108)	(814)
Increase in accounts receivable, other		(1,102)	(2,028)	(926)
Increase in notes and accounts payable, trade		2,484	258	(2,226)
Increase in accrued expenses		327	2,605	2,278
Increase (decrease) in consumption tax payable		6	(170)	(176)
Increase (decrease) in deposits received		160	(156)	(316)
Other		(30)	264	294
Sub-total		5,612	7,829	2,217
Proceeds from interest and dividend income		24	120	96
Payments for interest expense		(3)	(1)	2
Payments for income taxes and other		(1,309)	(2,368)	(1,059)
Net cash provided by operating activities		4,324	5,580	1,256
Cash flow from investing activities				
Purchases of property and equipment		(463)	(577)	(114)
Purchases of intangible assets		(428)	(941)	(513)
Proceeds from transfer of business		--	226	226
Acquisition of sales operation for mobile phones		(36)	--	36
Purchases of investment securities		(1,005)	--	1,005
Other		(9)	(12)	(3)
Net cash used in investing activities		(1,941)	(1,304)	637
Cash flows from financing activities				
Dividends paid		(659)	(653)	6
Purchase of treasury stock		--	(0)	(0)
Net cash used in financing activities		(659)	(653)	6
Effect of exchange rate changes on cash and cash equivalents		25	(2)	(27)
Increase in cash and cash equivalents		1,749	3,621	1,872
Cash and cash equivalents at beginning of year		12,131	13,880	1,749
Cash and cash equivalents at end of year		13,880	17,501	3,621

(5) Appropriation of retained earnings

(Units: Millions of yen)

<div>Term</div> <div>Items</div>	Full Year ended March 31, 2006
Unappropriated retained earnings at end of year	2,461
Appropriation of retained earnings	1,727
Dividends	327
General reserve	1,400
Retained earnings carried forward to next year	734

(6) Supplementary Information

(Units: Millions of yen)

	Full Year ended March 31, 2006	Full Year ended March 31, 2007	% Change	Forecast for Full Year ending March 31, 2008	% Change from FY 2006
Net sales	127,590	130,253	2.1%	125,500	(4%)
Operating income <Operating income to Net sales>	4,189 <3.3%>	5,605 <4.3%>	33.8%	5,300 <4.2%>	(5%)
Ordinary income <Ordinary income to Net sales>	4,078 <3.2%>	5,641 <4.3%>	38.3%	5,400 <4.3%>	(4%)
Net income <Net income to Net sales>	2,117 <1.7%>	3,222 <2.5%>	52.2%	3,050 <2.4%>	(5%)
Net income per share	145.71Yen	221.76Yen	--	209.92Yen	--
Dividend per share <Interim>	45.00Yen <22.50Yen>	47.50Yen <22.50Yen>	--	55.00Yen <27.50Yen>	--
Dividend payout ratio	30.9%	21.4%	--	26.2%	--
Total assets Turnover	2.38Times	2.20Times	--	2.02Times	--
Return on assets	7.6%	9.5%	--	8.7%	--
Return (Ordinary income) on equity	9.1%	12.7%	--	11.0%	--
Net cash provided by operating activities	4,324	5,580	29.0%	4,740	(15%)
Net cash used in investing activities	(1,941)	(1,304)	--	(3,940)	--
Free cash flows	2,383	4,276	79.4%	800	(81%)
Net cash used in financing activities	(659)	(653)	--	(800)	--
R&D expenses	487	297	(39.0%)	60	(80%)
Number of employees	1,169	1,121	--	1,070	--

(7) Business Segment Information

(Units: Millions of yen)

		Full Year ended March 31, 2006		Full Year ended March 31, 2007		% Change	Forecast for Full Year ending March 31, 2008		% Change from FY 2006
		Amount	%	Amount	%	%	Amount	%	%
Mobile Sales Business	Net sales	93,090	73.0	104,762	80.4	12.5	107,500	85.7	3
	Operating income	2,160	51.6	2,230	39.8	3.3	2,420	45.7	9
	%	2.3%		2.1%			2.3%		
Mobile Integration & Support Business	Net sales	24,811	19.4	25,491	19.6	2.7	18,000	14.3	(29)
	Operating income	1,912	45.6	3,375	60.2	76.5	2,880	54.3	(15)
	%	7.7%		13.2%			16.0%		
Mobile Software Business	Net sales	9,689	7.6	--	--	--	--	--	--
	Operating income	117	2.8	--	--	--	--	--	--
	%	1.2%		--%			--%		
Total	Net sales	127,590	100.0	130,253	100.0	2.1	125,500	100.0	(4)
	Operating income	4,189	100.0	5,605	100.0	33.8	5,300	100.0	(5)
	%	3.3%		4.3%			4.2%		

Note: Mobile Software Business was transferred to NEC Communications Systems, Ltd. on April 1, 2006.