

**Financial Results for  
the Third Quarter of the Fiscal Year  
ending March 31, 2008**

**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 Third Quarter of the Fiscal Year ending March 31, 2008

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U.S. GAAP Accounting Principles: Not adopted

Item(s) in Preparation Method for Quarterly Financial Results: The simplified method is applied to tax effect accounting

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Listed Exchanges: Tokyo Stock Exchange

Stock Code: 9430

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

### 1. Financial Results for the Third Quarter ended December 31, 2007

#### (1) Business Results

(Units: Millions of yen)

	Nine months ended December 31, 2006		Nine months ended December 31, 2007		Full Year ended March 31, 2007
	% change		% change		
Net Sales	94,267	1.5%	94,306	0.0 %	130,253
Operating Income	4,371	53.0%	4,527	3.6 %	5,605
Ordinary Income	4,380	57.4%	4,686	7.0 %	5,641
Net Income	2,464	52.7%	2,692	9.2 %	3,222
Net Income per Share (Yen)	169.62		185.27		221.76
Net Income per Share, fully diluted (Yen)	--		--		--

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

#### (2) Financial Position

(Units: Millions of yen)

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
Total Assets	59,178	58,926	61,832
Net Assets	25,824	28,550	26,573
Equity Ratio	43.6%	48.4%	43.0%
Net Assets per Share (Yen)	1,777.39	1,964.97	1,828.94

#### (3) Cash Flows

(Units: Millions of yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Full Year ended March 31, 2007
Net Cash provided by Operating Activities	2,306	1,416	5,580
Net Cash used in Investing Activities	(596)	(2,934)	(1,304)
Net Cash used in Financing Activities	(649)	(755)	(653)
Cash and Cash Equivalents at end of Term	14,939	15,229	17,501

## 2. Dividends

(Units: Yen)

	Full Year ended March 31, 2007	Full Year ending March 31, 2008	
			(Forecast)
Annual Dividends per Share	47.50	--	55.00
Interim	22.50	27.50	--
Year-end	25.00	--	27.50

## 3. Forecast for the Fiscal Year ending March 31, 2008

(Units: Millions of yen)

	Full Year ending March 31, 2008	
		% change
Net Sales	130,300	0.0%
Operating Income	5,300	(5.4%)
Ordinary Income	5,400	(4.3%)
Net Income	3,050	(5.3%)
Net Income per share (Yen)	209.92	

Notes: 1. Percentages for Net Sales, Operating Income, Ordinary Income and Net Income represent change from the same term of the previous fiscal year.

2. Compared with the previous forecast issued on October 26, 2007, Net Sales is revised from 125,500 to 130,300 millions of yen and others are unchanged. This is mainly due to the fact that, under the new mobile phone sales model, the mobile phone retail prices will increase, but also the incentives, which are recognized as deductions from the cost of sales, to be paid by the mobile network operators will decrease for approximately the same amount.

*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) Condensed Balance Sheets

(Units: Millions of yen)

Items \ Term	As of December 31, 2006		As of December 31, 2007		Change	As of March 31, 2007		Change
	Amount	%	Amount	%	Amount	Amount	%	Amount
<b>Assets</b>								
Cash on hand and in banks	7,941		9,229		1,288	11,501		(2,272)
Notes and accounts receivable, trade	18,928		17,130		(1,798)	19,546		(2,416)
Marketable securities	1,998		999		(999)	999		--
Inventories	6,423		6,052		(371)	4,914		1,138
Accounts receivable, other	9,844		9,059		(785)	10,227		(1,168)
Affiliated company deposits	5,000		5,001		1	5,001		--
Other	1,632		1,336		(296)	1,813		(477)
<b>Current assets</b>	<b>51,766</b>	<b>87.5</b>	<b>48,806</b>	<b>82.8</b>	<b>(2,960)</b>	<b>54,001</b>	<b>87.3</b>	<b>(5,195)</b>
Property and equipment	1,230	2.1	1,336	2.3	106	1,304	2.1	32
Intangible assets	1,322	2.2	1,504	2.6	182	1,588	2.6	(84)
Investments and other Assets	4,860	8.2	7,280	12.3	2,420	4,939	8.0	2,341
<b>Fixed assets</b>	<b>7,412</b>	<b>12.5</b>	<b>10,120</b>	<b>17.2</b>	<b>2,708</b>	<b>7,831</b>	<b>12.7</b>	<b>2,289</b>
<b>Total assets</b>	<b>59,178</b>	<b>100.0</b>	<b>58,926</b>	<b>100.0</b>	<b>(252)</b>	<b>61,832</b>	<b>100.0</b>	<b>(2,906)</b>
<b>Liabilities</b>								
Notes and accounts payable, trade	15,736		14,581		(1,155)	16,069		(1,488)
Accrued corporate taxes	959		718		(241)	1,637		(919)
Accounts payable, other	11,320		9,965		(1,355)	12,487		(2,522)
Other	1,762		1,518		(244)	1,410		108
<b>Current liabilities</b>	<b>29,777</b>	<b>50.3</b>	<b>26,782</b>	<b>45.5</b>	<b>(2,995)</b>	<b>31,603</b>	<b>51.1</b>	<b>(4,821)</b>
Accrued pension and severance costs	3,361		3,337		(24)	3,434		(97)
Deposits received for guarantee	216		257		41	222		35
<b>Long-term liabilities</b>	<b>3,577</b>	<b>6.1</b>	<b>3,594</b>	<b>6.1</b>	<b>17</b>	<b>3,656</b>	<b>5.9</b>	<b>(62)</b>
<b>Total liabilities</b>	<b>33,354</b>	<b>56.4</b>	<b>30,376</b>	<b>51.6</b>	<b>(2,978)</b>	<b>35,259</b>	<b>57.0</b>	<b>(4,883)</b>
<b>Net assets</b>								
Common stock	2,371	4.0	2,371	4.0	--	2,371	3.8	--
Additional paid-in capital	2,707	4.6	2,707	4.6	--	2,707	4.4	--
Retained earnings	20,753	35.0	23,440	39.8	2,687	21,510	34.8	1,930
Treasury stocks	--	--	(0)	(0.0)	--	(0)	(0.0)	--
<b>Total shareholders' equity</b>	<b>25,831</b>	<b>43.6</b>	<b>28,518</b>	<b>48.4</b>	<b>2,687</b>	<b>26,588</b>	<b>43.0</b>	<b>1,930</b>
Unrealized gains (losses) on marketable securities	(7)	(0.0)	32	0.0	39	(15)	(0.0)	47
<b>Valuation and translation adjustments</b>	<b>(7)</b>	<b>(0.0)</b>	<b>32</b>	<b>0.0</b>	<b>39</b>	<b>(15)</b>	<b>(0.0)</b>	<b>47</b>
<b>Total net assets</b>	<b>25,824</b>	<b>43.6</b>	<b>28,550</b>	<b>48.4</b>	<b>2,726</b>	<b>26,573</b>	<b>43.0</b>	<b>1,977</b>
<b>Total liabilities and net assets</b>	<b>59,178</b>	<b>100.0</b>	<b>58,926</b>	<b>100.0</b>	<b>(252)</b>	<b>61,832</b>	<b>100.0</b>	<b>(2,906)</b>

**(2) Condensed Statements of Income**

Items \ Term	Nine months ended December 31, 2006		Nine months ended December 30, 2007		Change		Full Year ended March 31, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	94,267	100.0	94,306	100.0	39	0.0	130,253	100.0
Cost of sales	83,273	88.3	83,671	88.7	398		115,913	89.0
<b>Gross profit</b>	<b>10,994</b>	<b>11.7</b>	<b>10,635</b>	<b>11.3</b>	<b>(359)</b>	<b>(3.3)</b>	<b>14,340</b>	<b>11.0</b>
Selling, general and administrative expenses	6,623	7.1	6,108	6.5	(515)		8,735	6.7
<b>Operating income</b>	<b>4,371</b>	<b>4.6</b>	<b>4,527</b>	<b>4.8</b>	<b>156</b>	<b>3.6</b>	<b>5,605</b>	<b>4.3</b>
Non-operating income	110	0.1	182	0.2	72		154	0.1
Non-operating expenses	101	0.1	23	0.0	(78)		118	0.1
<b>Ordinary income</b>	<b>4,380</b>	<b>4.6</b>	<b>4,686</b>	<b>5.0</b>	<b>306</b>	<b>7.0</b>	<b>5,641</b>	<b>4.3</b>
Extraordinary gains	312	0.4	--	--	(312)		312	0.2
Extraordinary losses	307	0.3	--	--	(307)		320	0.2
<b>Income before income taxes</b>	<b>4,385</b>	<b>4.7</b>	<b>4,686</b>	<b>5.0</b>	<b>301</b>	<b>6.9</b>	<b>5,633</b>	<b>4.3</b>
Corporate, inhabitants and enterprise taxes	1,921	2.1	1,994	2.1	73		2,597	2.0
Deferred income taxes	--	--	--	--	--		(186)	(0.2)
<b>Net income</b>	<b>2,464</b>	<b>2.6</b>	<b>2,692</b>	<b>2.9</b>	<b>228</b>	<b>9.2</b>	<b>3,222</b>	<b>2.5</b>

### (3) Condensed Statements of Cash Flows

(Units: Millions of yen)

Items	Term	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Change	Full Year ended March 31, 2007
<b>Cash flow from operating activities</b>					
Income before income taxes		4,385	4,686	301	5,633
Depreciation		502	606	104	671
Gain on transfer of business		(312)	--	312	(312)
Impairment loss of fixed assets		245	--	(245)	258
Decrease in notes and accounts receivable, trade		1,490	2,416	926	872
Increase in inventories		(1,617)	(1,215)	402	(108)
(Increase) decrease in accounts receivable, other		(1,645)	1,168	2,813	(2,028)
(Decrease) increase in notes and accounts payable, trade		(141)	(1,473)	(1,332)	258
Increase (decrease) in accrued expenses		1,438	(2,522)	(3,960)	2,605
Other		246	87	(159)	(20)
<b>Sub-total</b>		<b>4,591</b>	<b>3,753</b>	<b>(838)</b>	<b>7,829</b>
Payments for income taxes and other		(2,366)	(2,506)	(140)	(2,368)
Other		81	169	88	119
<b>Net cash provided by operating activities</b>		<b>2,306</b>	<b>1,416</b>	<b>(890)</b>	<b>5,580</b>
<b>Cash flow from investing activities</b>					
Purchases of property and equipment		(337)	(358)	(21)	(577)
Purchases of intangible assets		(479)	(393)	86	(941)
Proceeds from transfer of business		226	(171)	(397)	226
Purchases of investment securities		--	(2,010)	(2,010)	--
Other		(6)	(2)	4	(12)
<b>Net cash used in investing activities</b>		<b>(596)</b>	<b>(2,934)</b>	<b>(2,338)</b>	<b>(1,304)</b>
<b>Cash flows from financing activities</b>					
Dividends paid		(649)	(755)	(106)	(653)
Purchase of treasury stock		--	--	--	(0)
<b>Net cash used in financing activities</b>		<b>(649)</b>	<b>(755)</b>	<b>(106)</b>	<b>(653)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(2)</b>	<b>1</b>	<b>3</b>	<b>(2)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>1,059</b>	<b>(2,272)</b>	<b>(3,331)</b>	<b>3,621</b>
<b>Cash and cash equivalents at beginning of term</b>		<b>13,880</b>	<b>17,501</b>	<b>3,621</b>	<b>13,880</b>
<b>Cash and cash equivalents at end of term</b>		<b>14,939</b>	<b>15,229</b>	<b>290</b>	<b>17,501</b>

**(4) Business Segment Information**

(Units: Millions of yen)

		Nine months ended December 31, 2006		Nine months ended December 31, 2007		Change	Full Year ended March 31, 2007	
		Amount	%	Amount	%	%	Amount	%
<b>Mobile Sales Business</b>	Net sales	75,598	80.2	78,315	83.0	3.6	104,762	80.4
	Operating income	1,587	36.3	1,060	23.4	(33.2)	2,230	39.8
	%	2.1%		1.4%			2.1%	
<b>Mobile Integration &amp; Support Business</b>	Net sales	18,669	19.8	15,991	17.0	(14.3)	25,491	19.6
	Operating income	2,784	63.7	3,467	76.6	24.5	3,375	60.2
	%	14.9%		21.7%			13.2%	
<b>Total</b>	Net sales	94,267	100.0	94,306	100.0	0.0	130,253	100.0
	Operating income	4,371	100.0	4,527	100.0	3.6	5,605	100.0
	%	4.6%		4.8%			4.3%	