

**Financial Results for
the Third Quarter 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 Third Quarter of the Fiscal Year ending March 31, 2006

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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 (April 1, 2005 to December 31, 2005)

(1) Business Results

(Units: Millions of yen)

	Nine months ended December 31, 2004		Nine months ended December 31, 2005		Full Year ended March 31, 2005
		% change		% change	
Net Sales	105,149	(7.6%)	92,894	(11.7%)	140,195
Operating Income	3,539	(24.8%)	2,857	(19.3%)	3,887
Ordinary Income	3,495	(25.6%)	2,783	(20.4%)	3,855
Net Income	1,985	(22.7%)	1,614	(18.7%)	2,105
Net Income per Share (Yen)	136.60		111.08		144.88
Net Income per Share, fully diluted (Yen)	--		--		--

Notes: 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, 2004	As of December 31, 2005	As of March 31, 2005
Total Assets	49,660	56,123	50,715
Shareholders' Equity	22,438	23,518	22,558
Shareholders' Equity Ratio	45.2%	41.9%	44.5%
Shareholders' Equity per Share (Yen)	1,544.31	1,618.65	1,552.57

(3) Cash Flows

(Units: Millions of yen)

	Nine months ended December 31, 2004	Nine months ended December 31, 2005	Full Year ended March 31, 2005
Net Cash provided by Operating Activities	652	2,774	2,550
Net Cash used in Investing Activities	(828)	(755)	(1,029)
Net Cash used in Financing Activities	(601)	(654)	(613)
Cash and Cash Equivalents at end of Term	10,431	13,521	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
Net Income per Share (Yen)	159.68

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)

Item \ Term	As of December 31, 2004		As of December 31, 2005		Change	As of March 31, 2005		Change
	Amount	%	Amount	%	Amount	Amount	%	Amount
Assets								
Cash on hand and in banks	7,431		9,521		2,090	9,131		390
Notes and accounts receivable, trade	18,225		19,735		1,510	18,311		1,424
Inventories	6,918		5,930		(988)	5,503		427
Accounts receivable, other	6,540		8,838		2,298	7,096		1,742
Affiliated company deposits	3,000		4,000		1,000	3,000		1,000
Other	1,208		1,690		482	1,223		467
Current assets	43,322	87.2	49,714	88.6	6,392	44,264	87.3	5,450
Property and equipment	1,110	2.2	1,210	2.1	100	1,198	2.4	12
Intangible assets	1,610	3.3	1,285	2.3	(325)	1,582	3.1	(297)
Investments and other assets	3,618	7.3	3,914	7.0	296	3,671	7.2	243
Fixed assets	6,338	12.8	6,409	11.4	71	6,451	12.7	(42)
Total assets	49,660	100.0	56,123	100.0	6,463	50,715	100.0	5,408
Liabilities								
Notes and accounts payable, trade	13,765		16,425		2,660	13,350		3,075
Accrued corporate taxes	350		621		271	590		31
Accounts payable, other	8,449		10,244		1,795	9,554		690
Other	1,492		1,638		146	1,313		325
Current liabilities	24,056	48.4	28,928	51.5	4,872	24,807	48.9	4,121
Accrued pension and severance costs	3,004		3,427		423	3,183		244
Deposits received for guarantee	162		250		88	167		83
Long-term liabilities	3,166	6.4	3,677	6.6	511	3,350	6.6	327
Total liabilities	27,222	54.8	32,605	58.1	5,383	28,157	55.5	4,448
Shareholders' equity								
Common stock	2,371	4.8	2,371	4.2	--	2,371	4.7	--
Additional paid-in capital	2,707	5.5	2,707	4.8	--	2,707	5.3	--
Retained earnings	17,359	34.9	18,439	32.9	1,080	17,479	34.5	960
Unrealized gain on marketable securities	1	0.0	1	0.0	--	1	0.0	--
Total shareholders' equity	22,438	45.2	23,518	41.9	1,080	22,558	44.5	960
Total liabilities and shareholders' equity	49,660	100.0	56,123	100.0	6,463	50,715	100.0	5,408

(2) Condensed Statements of Income

(Units: Millions of yen)

Item \ Term	Nine months ended December 31, 2004		Nine months ended December 31, 2005		Change		Full Year ended March 31, 2005	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	105,149	100.0	92,894	100.0	(12,255)	(11.7)	140,195	100.0
Cost of sales	95,276	90.6	83,021	89.4	(12,255)		127,676	91.1
Gross profit	9,873	9.4	9,873	10.6	--	(0.0)	12,519	8.9
Selling, general and administrative expenses	6,334	6.0	7,016	7.5	682		8,632	6.1
Operating income	3,539	3.4	2,857	3.1	(682)	(19.3)	3,887	2.8
Non-operating income	12	0.0	61	0.1	49		18	0.0
Non-operating expenses	56	0.1	135	0.2	79		50	0.1
Ordinary income	3,495	3.3	2,783	3.0	(712)	(20.4)	3,855	2.7
Extraordinary gains	9	0.0	--	--	(9)		6	0.0
Extraordinary losses	139	0.1	--	--	(139)		236	0.1
Income before income taxes	3,365	3.2	2,783	3.0	(582)	(17.3)	3,625	2.6
Corporate, inhabitants and enterprise taxes	1,380	1.3	1,169	1.3	(211)		1,669	1.2
Deferred income taxes	--	--	--	--	--		(149)	(0.1)
Net income	1,985	1.9	1,614	1.7	(371)	(18.7)	2,105	1.5
Unappropriated retained earnings at beginning of term	720		671		(49)		720	
Interim dividends	327		327		--		327	
Unappropriated retained earnings at end of term	2,378		1,958		(420)		2,498	

(3) Condensed Statements of Cash Flows

(Units: Millions of yen)

Item \ Term	Nine months ended December 31, 2004	Nine months ended December 31, 2005	Change	Full Year ended March 31, 2005
Cash flow from operating activities				
Income before income taxes	3,365	2,783	(582)	3,625
Depreciation	682	734	52	922
Decrease (increase) in notes and accounts receivable, trade	3,049	(1,424)	(4,473)	2,963
(Increase) decrease in inventories	(458)	(427)	31	957
Increase in accounts receivable, other	(267)	(1,741)	(1,474)	(823)
(Decrease) increase in notes and accounts payable, trade	(2,584)	3,117	5,701	(3,036)
(Decrease) increase in accrued expenses	(889)	689	1,578	216
Other	569	346	(223)	542
Sub-total	3,467	4,077	610	5,366
Payments for income taxes and other	(2,819)	(1,308)	1,511	(2,819)
Other	4	5	1	3
Net cash provided by operating activities	652	2,774	2,122	2,550
Cash flow from investing activities				
Purchases of property and equipment	(237)	(390)	(153)	(389)
Purchases of intangible assets	(326)	(354)	(28)	(376)
Acquisition of sales operation for mobile phones	(108)	--	108	(108)
Other	(157)	(11)	146	(156)
Net cash used in investing activities	(828)	(755)	73	(1,029)
Cash flows from financing activities				
Dividends paid	(601)	(654)	(53)	(613)
Net cash used in financing activities	(601)	(654)	(53)	(613)
Effect of exchange rate changes on cash and cash equivalents	(10)	25	35	5
(Decrease) increase in cash and cash equivalents	(787)	1,390	2,177	913
Cash and cash equivalents at beginning of term	11,218	12,131	913	11,218
Cash and cash equivalents at end of term	10,431	13,521	3,090	12,131

(4) Business Segment Information

(Units: Millions of yen)

		Nine months ended December 31, 2004		Nine months ended December 31, 2005		Change	Full Year ended March 31, 2005	
		Amount	%	Amount	%	%	Amount	%
Mobile Software Business	Net sales	10,779	10.3	6,881	7.4	(36.2)	13,318	9.5
	Operating income	90	2.5	209	7.3	133.1	(413)	(10.6)
	%	0.8%		3.0%			(3.1%)	
Mobile Integration & Support Business	Net sales	20,424	19.4	17,062	18.4	(16.5)	26,605	19.0
	Operating income	2,059	58.2	1,404	49.1	(31.8)	2,340	60.2
	%	10.1%		8.2%			8.8%	
Mobile Sales Business	Net sales	73,946	70.3	68,951	74.2	(6.8)	100,272	71.5
	Operating income	1,390	39.3	1,244	43.6	(10.5)	1,960	50.4
	%	1.9%		1.8%			2.0%	
Total	Net sales	105,149	100.0	92,894	100.0	(11.7)	140,195	100.0
	Operating income	3,539	100.0	2,857	100.0	(19.3)	3,887	100.0
	%	3.4%		3.1%			2.8%	