

**Financial Results for  
the First Half 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 First Half of the Fiscal Year ending March 31, 2008

### Company Name: NEC Mobiling, Ltd.

Head Office: Yokohama, Japan

President: Yoshitake Matsuo

Inquiries: Investor and Public Relation Office

Telephone: +81 45 476 6622

Parent Company: NEC Corporation

Parent's Ownership Stake: 51.00%

Scheduled commencement date of dividend payment (interim) : December 3, 2007

Changes to accounting procedures: The Company changed the depreciation method for the property and equipment acquired after March 31, 2007 due to the revision of Japanese Corporation Tax Law and its regulation.

Date of Publication: October 26, 2007

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 ended September 30, 2007

#### (1) Business Results

(Units: Millions of yen)

	First Half ended September 30, 2006		First Half ended September 30, 2007		Full Year ended March 31, 2007
		% change		% change	
Net Sales	59,664	0.3%	60,210	0.9%	130,253
Operating Income	2,331	62.0%	2,964	27.2%	5,605
Ordinary Income	2,296	66.4%	3,041	32.5%	5,641
Net Income	1,313	63.7%	1,746	33.0%	3,222
Net Income per Share (Yen)	90.39		120.19		221.76
Net Income per Share, fully diluted (Yen)	--		--		--

- Notes:
- Equity in earnings of affiliated companies:
 

First Half ended September 30, 2006:	--
First Half ended September 30, 2007:	--
Full Year ended March 31, 2007:	--
  - Average number of shares outstanding during the term:
 

First Half ended September 30, 2006:	14,529,400
First Half ended September 30, 2007:	14,529,384
Full Year ended March 31, 2007:	14,529,399
  - Percentages for Net Sales, Operating Income, Ordinary Income and Net Income represent change from the previous term.

#### (2) Financial Position

(Units: Millions of yen)

	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Total Assets	51,566	52,258	61,832
Net Assets	24,988	28,022	26,573
Equity Ratio	48.5%	53.6%	43.0%
Net Assets per Share (Yen)	1,719.83	1,928.62	1,828.94

- Notes:
- Shares outstanding at end of term:
 

As of September 30, 2006:	14,529,400
As of September 30, 2007:	14,529,400
As of March 31, 2007:	14,529,400
  - Treasury stocks at end of term:
 

As of September 30, 2006:	--
As of September 30, 2007:	16
As of March 31, 2007:	16

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2008

**(3) Cash Flows**

(Units: Millions of yen)

	First Half ended September 30, 2006	First Half ended September 30, 2007	Full Year Ended March 31, 2007
Net Cash provided by Operating Activities	2,579	2,379	5,580
Net Cash used in Investing Activities	(161)	(2,485)	(1,304)
Net Cash used in Financing Activities	(327)	(363)	(653)
Cash and Cash Equivalents at end of term	15,970	17,032	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	125,500	(3.6%)
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: 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 September 30, 2006		As of September 30, 2007		Change Amount	As of March 31, 2007		Change in FY 2007 Amount
		Amount	%	Amount	%		Amount	%	
<b>Assets</b>									
Cash on hand and in banks		11,970		11,033		(937)	11,501		(468)
Notes receivable, trade		2		5		3	1		4
Accounts receivable, trade		14,959		13,192		(1,767)	19,545		(6,353)
Inventories		4,949		4,486		(463)	4,914		(428)
Accounts receivable, other		6,372		6,191		(181)	10,227		(4,036)
Affiliated company deposits		4,000		5,000		1,000	5,001		(1)
Deferred tax assets		995		862		(133)	1,181		(319)
Other		712		1,461		749	1,635		(174)
Allowance for doubtful accounts		(92)		(6)		86	(4)		(2)
<b>Current assets</b>		<b>43,867</b>	<b>85.1</b>	<b>42,224</b>	<b>80.8</b>	<b>(1,643)</b>	<b>54,001</b>	<b>87.3</b>	<b>(11,777)</b>
Property and equipment		1,164	2.2	1,278	2.4	114	1,304	2.1	(26)
Intangible assets		1,371	2.7	1,569	3.0	198	1,588	2.6	(19)
Investments and other assets		5,164	10.0	7,187	13.8	2,023	4,939	8.0	2,248
Investment securities		--		3,107		3,107	987		2,120
Deferred tax assets		1,299		1,157		(142)	1,285		(128)
Other		3,904		2,962		(942)	2,704		258
Allowance for doubtful accounts		(39)		(39)		--	(37)		(2)
<b>Fixed assets</b>		<b>7,699</b>	<b>14.9</b>	<b>10,034</b>	<b>19.2</b>	<b>2,335</b>	<b>7,831</b>	<b>12.7</b>	<b>2,203</b>
<b>Total assets</b>		<b>51,566</b>	<b>100.0</b>	<b>52,258</b>	<b>100.0</b>	<b>692</b>	<b>61,832</b>	<b>100.0</b>	<b>(9,574)</b>
<b>Liabilities</b>									
Notes payable, trade		387		354		(33)	437		(83)
Accounts payable, trade		10,592		8,999		(1,593)	15,632		(6,633)
Accrued corporate taxes		953		835		(118)	1,637		(802)
Accrued expenses		9,324		8,966		(358)	12,487		(3,521)
Other		1,766		1,309		(457)	1,410		(101)
<b>Current liabilities</b>		<b>23,022</b>	<b>44.6</b>	<b>20,463</b>	<b>39.2</b>	<b>(2,559)</b>	<b>31,603</b>	<b>51.1</b>	<b>(11,140)</b>
Accrued pension and severance costs		3,334		3,539		205	3,434		105
Other		222		234		12	222		12
<b>Long-term liabilities</b>		<b>3,556</b>	<b>6.9</b>	<b>3,773</b>	<b>7.2</b>	<b>217</b>	<b>3,656</b>	<b>5.9</b>	<b>117</b>
<b>Total liabilities</b>		<b>26,578</b>	<b>51.5</b>	<b>24,236</b>	<b>46.4</b>	<b>(2,342)</b>	<b>35,259</b>	<b>57.0</b>	<b>(11,023)</b>

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2008

Items	Term	As of September 30, 2006		As of September 30, 2007		Change Amount	As of March 31, 2007		Change in FY 2007 Amount
		Amount	%	Amount	%		Amount	%	
<b>Net assets</b>									
Common stock		2,371	4.6	2,371	4.5	--	2,371	3.8	--
Additional paid-in capital		2,707	5.3	2,707	5.2	--	2,707	4.4	--
Additional paid-in capital		2,707		2,707		--	2,707		--
Retained earnings		19,929	38.6	22,894	43.8	2,965	21,510	34.8	1,384
Legal reserve		21		21		--	21		--
Other retained earnings		19,908		22,873		2,965	21,489		1,384
General reserve		17,860		20,260		2,400	17,860		2,400
Retained earnings brought forward		2,048		2,613		565	3,629		(1,016)
Treasury stocks		--	--	(0)	(0.0)	--	(0)	(0.0)	--
<b>Total shareholders' equity</b>		<b>25,007</b>	<b>48.5</b>	<b>27,972</b>	<b>53.5</b>	<b>2,965</b>	<b>26,588</b>	<b>43.0</b>	<b>1,384</b>
Unrealized gains (losses) on marketable securities		(19)	(0.0)	50	0.1	69	(15)	(0.0)	65
<b>Valuation and translation adjustments</b>		<b>(19)</b>	<b>(0.0)</b>	<b>50</b>	<b>0.1</b>	<b>69</b>	<b>(15)</b>	<b>(0.0)</b>	<b>65</b>
<b>Total net assets</b>		<b>24,988</b>	<b>48.5</b>	<b>28,022</b>	<b>53.6</b>	<b>3,034</b>	<b>26,573</b>	<b>43.0</b>	<b>1,449</b>
<b>Total liabilities and net assets</b>		<b>51,566</b>	<b>100.0</b>	<b>52,258</b>	<b>100.0</b>	<b>692</b>	<b>61,832</b>	<b>100.0</b>	<b>(9,574)</b>

Notes: Accumulated depreciation of Property and equipment As of September 30, 2006: 1,745  
As of September 30, 2007: 1,241  
As of March 31, 2007: 1,846

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2008

**(2) Statements of Income**

(Units: Millions of yen)

Items	First Half ended September 30, 2006		First Half ended September 30, 2007		Change		Full Year ended March 31, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	59,664	100.0	60,210	100.0	546	0.9	130,253	100.0
Cost of sales	52,709	88.3	53,135	88.2	426		115,913	89.0
<b>Gross profit</b>	<b>6,955</b>	<b>11.7</b>	<b>7,075</b>	<b>11.8</b>	<b>120</b>	<b>1.7</b>	<b>14,340</b>	<b>11.0</b>
Selling, general and administrative expenses	4,624	7.8	4,111	6.9	(513)		8,735	6.7
<b>Operating income</b>	<b>2,331</b>	<b>3.9</b>	<b>2,964</b>	<b>4.9</b>	<b>633</b>	<b>27.2</b>	<b>5,605</b>	<b>4.3</b>
Non-operating income	63	0.1	95	0.2	32		154	0.1
Non-operating expenses	98	0.2	18	0.0	(80)		118	0.1
<b>Ordinary income</b>	<b>2,296</b>	<b>3.8</b>	<b>3,041</b>	<b>5.1</b>	<b>745</b>	<b>32.5</b>	<b>5,641</b>	<b>4.3</b>
Extraordinary gains	312	0.5	--	--	(312)		312	0.2
Extraordinary losses	308	0.4	--	--	(308)		320	0.2
<b>Income before income taxes</b>	<b>2,300</b>	<b>3.9</b>	<b>3,041</b>	<b>5.1</b>	<b>741</b>	<b>32.2</b>	<b>5,633</b>	<b>4.3</b>
Corporate, inhabitants and enterprise taxes	998	1.7	892	1.5	(106)		2,597	2.0
Deferred income taxes	(11)	(0.0)	403	0.7	414		(186)	(0.2)
<b>Net income</b>	<b>1,313</b>	<b>2.2</b>	<b>1,746</b>	<b>2.9</b>	<b>433</b>	<b>33.0</b>	<b>3,222</b>	<b>2.5</b>

**(3)Non-consolidated Statements of Changes in Net Assets**  
(First Half ended September 30, 2006)

(Units: Millions of yen)

	Shareholders' equity						
	Common stock	Additional paid-in capital	Retained earnings				Total share-holders' equity
			Legal reserve	Other retained earnings		Total retained earnings	
		Additional paid-in capital		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 First Half							
Provision for general reserve	--	--	--	1,400	(1,400)	--	--
Dividends from surplus	--	--	--	--	(327)	(327)	(327)
Net income	--	--	--	--	1,313	1,313	1,313
Net changes of items other than shareholders' equity	--	--	--	--	--	--	--
Total changes of items during the First Half	--	--	--	1,400	(413)	987	987
Balance as of September 30, 2006	2,371	2,707	21	17,860	2,048	19,929	25,007

	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 First Half		
Provision for general reserve	--	--
Dividends from surplus	--	(327)
Net income	--	1,313
Net changes of items other than shareholders' equity	7	7
Total changes of items during the First Half	7	994
Balance as of September 30, 2006	(19)	24,988

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2008

(First Half ended September 30, 2007)

(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, 2007	2,371	2,707	21	17,860	3,629	21,510	(0)	26,588
Changes of items during the First Half								
Provision for general reserve	--	--	--	2,400	(2,400)	--	--	--
Dividends from surplus	--	--	--	--	(362)	(362)	--	(362)
Net income	--	--	--	--	1,746	1,746	--	1,746
Net changes of items other than shareholders' equity	--	--	--	--	--	--	--	--
Total changes of items during the First Half	--	--	--	2,400	(1,016)	1,384	--	1,384
Balance as of September 30, 2007	2,371	2,707	21	20,260	2,613	22,894	(0)	27,972

	Valuation and translation adjustments	Total net assets
	Unrealized gains (losses) on marketable securities	
Balance as of March 31, 2007	(15)	26,573
Changes of items during the First Half		
Provision for general reserve	--	--
Dividends from surplus	--	(362)
Net income	--	1,746
Net changes of items other than shareholders' equity	65	65
Total changes of items during the First Half	65	1,449
Balance as of September 30, 2007	50	28,022



Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2008

(Full Year ended March 31, 2007)

(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	First Half ended September 30, 2006	First Half ended September 30, 2007	Change	Full Year ended March 31, 2007
		Amount	Amount	Amount	Amount
<b>Cash flows from operating activities</b>					
Income before income taxes		2,300	3,041	741	5,633
Depreciation		338	387	49	671
Increase (decrease) in allowance for doubtful Accounts		--	4	4	(90)
Increase in accrued pension and severance costs		74	62	(12)	144
Interest and dividend income		(52)	(88)	(36)	(120)
Interest expenses		0	0	--	1
Foreign exchange loss		1	0	(1)	2
Loss on disposal of property and equipment		41	9	(32)	52
Loss on disposal of intangible assets		42	0	(42)	50
Loss on devaluation of property and equipment		9	5	(4)	3
Loss on devaluation of intangible assets		1	--	(1)	--
Gain on transfer of business		(312)	--	312	(312)
Impairment loss of fixed assets		245	--	(245)	258
Decrease in notes and accounts receivable, trade		5,458	6,349	891	872
(Increase) decrease in inventories		(143)	346	489	(108)
Decrease (increase) in accounts receivable, other		1,827	4,037	2,210	(2,028)
(Decrease) increase in notes and accounts payable, trade		(4,889)	(6,688)	(1,799)	258
(Decrease) increase in accrued expenses		(558)	(3,521)	(2,963)	2,605
(Decrease) increase in consumption tax payable		(96)	125	221	(170)
Decrease in deposits received		(149)	(77)	72	(156)
Other		(165)	(15)	150	264
<b>Sub-total</b>		<b>3,972</b>	<b>3,976</b>	<b>4</b>	<b>7,829</b>
Proceeds from interest and dividend income		52	88	36	120
Payments for interest expense		(0)	(0)	--	(1)
Payments for income taxes and other		(1,445)	(1,685)	(240)	(2,368)
<b>Net cash provided by operating activities</b>		<b>2,579</b>	<b>2,379</b>	<b>(200)</b>	<b>5,580</b>
<b>Cash flows from investing activities</b>					
Purchases of property and equipment		(123)	(256)	(133)	(577)
Purchases of intangible assets		(261)	(306)	(45)	(941)
Proceeds from transfer of business		226	88	(138)	226
Purchases of investment securities		--	(2,010)	(2,010)	--
Other		(3)	(1)	2	(12)
<b>Net cash used in investing activities</b>		<b>(161)</b>	<b>(2,485)</b>	<b>(2,324)</b>	<b>(1,304)</b>
<b>Cash flows from financing activities</b>					
Dividends paid		(327)	(363)	(36)	(653)
Purchase of treasury stock		--	--	--	(0)
<b>Net cash used in financing activities</b>		<b>(327)</b>	<b>(363)</b>	<b>(36)</b>	<b>(653)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(1)</b>	<b>(0)</b>	<b>1</b>	<b>(2)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>2,090</b>	<b>(469)</b>	<b>(2,559)</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>15,970</b>	<b>17,032</b>	<b>1,062</b>	<b>17,501</b>

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2008

**(5) Supplementary Information**

(Units: Millions of yen)

	First Half ended September 30, 2006	First Half ended September 30, 2007	% Change	Forecast for Full Year ending March 31, 2008	% Change from FY 2006
Net sales	59,664	60,210	0.9%	125,500	(4%)
Operating income	2,331	2,964	27.2%	5,300	(5%)
<Operating income to Net sales>	<3.9%>	<4.9%>		<4.2%>	
Ordinary income	2,296	3,041	32.5%	5,400	(4%)
<Ordinary income to Net sales>	<3.8%>	<5.1%>		<4.3%>	
Net income	1,313	1,746	33.0%	3,050	(5%)
<Net income to Net sales>	<2.2%>	<2.9%>		<2.4%>	
Net income per share	90.39Yen	120.19Yen	--	209.92Yen	--
Dividend per share	22.50Yen	27.50Yen	--	55.00Yen	--
Dividend payout Ratio	24.9%	22.9%	--	26.2%	--
Total assets Turnover	2.21Times	2.11Times	--	2.02Times	--
Return on assets	8.5%	10.7%	--	8.7%	--
Return on equity	10.7%	12.8%	--	11.0%	--
Net cash provided by Operating activities	2,579	2,379	(7.8%)	4,740	(15%)
Net cash used in Investing activities	(161)	(2,485)	--	(3,940)	--
Free cash flows	2,418	(106)	--	800	(81%)
Net cash used in Financing activities	(327)	(363)	--	(800)	--
R&D expenses	140	10	(92.9%)	60	(80%)
Number of employees	1,125	1,034	--	1,070	--

Non-consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2008

**(6) Business Segment Information**

(Units: Millions of yen)

		First Half ended September 30, 2006		First Half ended September 30, 2007		% Change	Forecast for Full Year ending March 31, 2008		% Change from FY 2006
		Amount	%	Amount	%		Amount	%	
<b>Mobile Sales Business</b>	Net sales	47,342	79.3	49,918	82.9	5.4	107,000	85.3	2
	Operating income	869	37.3	871	29.4	0.2	1,790	33.8	(20)
	%	1.8%		1.7%			1.7%		
<b>Mobile Integration &amp; Support Business</b>	Net sales	12,322	20.7	10,292	17.1	(16.5)	18,500	14.7	(27)
	Operating income	1,462	62.7	2,093	70.6	43.2	3,510	66.2	4
	%	11.9%		20.3%			19.0%		
<b>Total</b>	Net sales	59,664	100.0	60,210	100.0	0.9	125,500	100.0	(4)
	Operating income	2,331	100.0	2,964	100.0	27.2	5,300	100.0	(5)
	%	3.9%		4.9%			4.2%		