

**Financial Results for
the Second Quarter of the Fiscal Year
ending March 31, 2009**

(2nd edition)

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 Second Quarter of the Fiscal Year ending March 31, 2009

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1. Financial Results for the Second Quarter ended September 30, 2008

(1) Business Results

(Units: Millions of yen)

	Six months ended September 30, 2007		Six months ended September 30, 2008	
		% change		% change
Net Sales	60,210	0.9%	59,878	-- %
Operating Income	2,964	27.2%	2,998	-- %
Ordinary Income	3,041	32.5%	3,161	-- %
Net Income	1,746	33.0%	1,836	-- %
Net Income per Share (Yen)	120.19		126.33	
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 September 30, 2008	As of March 31, 2008
Total Assets	52,897	58,638
Net Assets	29,931	29,056
Equity Ratio	56.6%	49.6%
Net Assets per Share (Yen)	2,060.03	1,999.81

2. Dividends

(Units: Yen)

	Full Year ended March 31, 2008	Full Year ending March 31, 2009	
			(Forecast)
Annual Dividends per Share	55.00	--	60.00
Interim	27.50	30.00	--
Year-end	27.50	--	30.00

3. Forecast for the Fiscal Year ending March 31, 2009

(Units: Millions of yen)

	Full Year ending March 31, 2009	
		% change
Net Sales	125,000	(3.1%)
Operating Income	5,750	0.2%
Ordinary Income	5,850	0.1%
Net Income	3,400	0.3%
Net Income per share (Yen)	234.01	

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. The above mentioned forecast was disclosed on September 26, 2008.

4. Other information

(1) Item(s) in preparation method for quarterly financial results:

The simplified method is applied to tax effect accounting.

(2) Changes to accounting procedures:

From the fiscal year ending March 31, 2009, Accounting Standard for quarterly financial statements (ASBJ Statement No. 12) and its Implementation Guidance for accounting standards for quarterly financial statements (ASBJ Guidance No. 14) have been applied.

Therefore, % changes in "Six months ended September 30, 2008" are not mentioned.

(3) Number of shares outstanding

1. Shares outstanding at end of term:	As of Sept. 30, 2008:	14,529,400
	As of March 31, 2008:	14,529,400
2. Treasury stocks at end of term:	As of Sept. 30, 2008:	51
	As of March 31, 2008:	16
3. Average number of shares outstanding during the term:	Six months ended Sept. 30, 2008:	14,529,352
	Six months ended Sept. 30, 2007:	14,529,384

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.

Qualitative Information and Financial Statements

1. Qualitative information pertaining to operating results

(1) General overview

During the first two quarters ended September 30, 2008, the mobile phone sales market remained lackluster, as characterized by a year-on-year drop of approximately 20 percent in number of mobile phones sold, which was attributable to a declining number of subscribers switching to new handsets as a result of a rise in sales prices and a drop-off in transitional demand for third-generation mobile communications services due to the partial saturation, as well as declining churn rates experienced by the major mobile network operators.

In light of this operating environment, the Company focused its efforts on measures designed to actively capture customers wishing to replace their existing handsets with ones featuring advanced function, to expand sales channels and to improve operational efficiency.

As a result, the Company posted net sales of ¥59,878 million for the six-month period ended September 30, 2008. The result reflected a decline in phone sets sold by the Mobile Sales Business, and, for the Mobile Service Business, an increase in demand for maintenance services for mobile handsets together with lower mobile service-related demand which experienced a slowdown as demand for mobile base station systems from mobile network operators ran its course.

In terms of profitability, the Company, despite a drop in the number of mobile handsets sold, posted operating income of ¥2,998 million, ordinary income of ¥3,161 million, and net income of ¥1,836 million for the first half of the fiscal year as a result of improved operational efficiency and greater demand for maintenance services.

(2) Segment overview

[Mobile Sales Business]

Despite some replacement demand for handsets with advanced functions such as one-segment TV broadcasting, GPS, music streaming and electronic wallet, demand for mobile phones remained weak over the six-month period ended September 30, 2008, primarily due to a rise in retail prices of handsets in the wake of the launch of the new service charge systems based on the separation of handset prices and mobile service charges, which in turn were translated into consumers' diminished perception of affordability, and to the falling rate of customers shifting to the third-generation mobile communications services, which began to show signs of saturation.

In this operating environment, the Company focused strongly on efforts designed to increase sales of handsets with advanced functions and to expand sales channels. However, handset sales fell approximately 20 percent year on year, to 746,000 handsets, which reflected the adverse effects of declining demand.

As a result, net sales by the Business were ¥47,995 million. Operating income came in at ¥1,128 million, adversely affected by a decline in the number of handsets sold.

[Mobile Service Business]

In the 6-month period ended September 30, 2008, the Mobile Service Business posted net sales of ¥11,883 million. Factors affecting sales included an increase in maintenance demand for mobile handsets and a decrease in demand related to mobile base station systems, among others. Operating income was ¥1,870 million as a result of improved operational efficiency and increased net sales.

Please note that effective this fiscal year, NEC Mobiling's businesses are classified into the segments of "Mobile Sales Business" and "Mobile Service Business."

In essence, NEC Mobiling's ASP services for mobile phones and other mobile solution services, which were classified under the "Mobile Sales Business" up to the end of the previous fiscal year, are now classified under "Mobile Service Business" in an effort to better reflect the business details of such services.

2. Qualitative information pertaining to the financial standing of the Company

Total assets decreased ¥5,741 million from the end of the previous fiscal year and stood at ¥52,897 million yen as of September 30, 2008.

Total liabilities decreased ¥6,616 million, to ¥22,966 million, and total net assets increased ¥875 million, to ¥29,931 million.

Non-consolidated Financial Results for the Second Quarter of the Fiscal Year ending March 31, 2009

As a result, the Company's equity ratio improved seven points from the end of the previous fiscal year, to 56.6%.

Cash flows provided from operating activities were ¥4,152 million. The result was attributable to, in addition to quarterly net income, factors resulting in cash increases, such as lower receivables, trade or otherwise, which more than offset factors causing cash decreases such as lower payables, trade and otherwise, and income taxes paid.

Cash flows used in investing activities amounted to ¥1,767 million. This primarily represented the amounts disbursed in connection with the acquisition of investment securities and fixed assets.

Cash decreased ¥404 million from financing activities, primarily on the payment of end-of-year dividends declared for the 36th business year of the Company.

Cash and cash equivalents as of September 30, 2008, stood at ¥18,930 million, up ¥1,983 million from the end of the previous fiscal year.

3. Qualitative information pertaining to earnings forecasts

No revision has been made on the Company's earnings forecasts announced on September 26, 2008.

Non-consolidated Financial Statements
(1) Balance Sheets

(Units: Millions of yen)

Items	Term	As of September 30, 2008	As of March 31, 2008
		Amount	Amount
Assets			
Cash on hand and in banks		12,931	10,948
Notes and accounts receivable, trade		12,538	15,592
Marketable securities		998	999
Merchandise		3,033	3,796
Semifinished components		9	2
Raw materials		402	365
Work in process		693	461
Accounts receivable, other		5,083	9,111
Affiliated company deposits		5,001	5,000
Other		1,349	1,254
Current assets		42,037	47,528
Property and equipment		1,448	1,356
Intangible assets		1,071	1,158
Investments and other assets		8,341	8,596
Fixed assets		10,860	11,110
Total assets		52,897	58,638
Liabilities			
Notes and accounts payable, trade		9,131	11,632
Accrued corporate taxes		1,399	1,174
Accounts payable, other		7,385	10,867
Other		1,277	2,272
Current liabilities		19,192	25,945
Accrued pension and severance costs		3,438	3,383
Other		336	254
Long-term liabilities		3,774	3,637
Total liabilities		22,966	29,582
Net assets			
Common stock		2,371	2,371
Additional paid-in capital		2,707	2,707
Retained earnings		25,573	24,137
Treasury stocks		(0)	(0)
Total shareholders' equity		30,651	29,215
Unrealized gains (losses) on marketable securities		(720)	(159)
Valuation and translation adjustments		(720)	(159)
Total net assets		29,931	29,056
Total liabilities and net assets		52,897	58,638

(2) Statements of Income

(Units: Millions of yen)

Items	Term	Six months ended September 30, 2008
		Amount
Net sales		59,878
Cost of sales		53,052
Gross profit		6,826
Selling, general and administrative expenses		3,828
Operating income		2,998
Non-operating income		188
Interest income		39
Dividend income		143
Miscellaneous income		6
Non-operating expenses		25
Interest expense		1
Loss on disposal of fixed assets		19
Miscellaneous expenses		5
Ordinary income		3,161
Extraordinary gains		60
Compensation for transfer		60
Income before income taxes		3,221
Income taxes		1,385
Net income		1,836

(3) Statements of Cash Flows

(Units: Millions of yen)

Items	Term	Six months ended Sept. 30, 2008
Cash flow from operating activities		
Income before income taxes		3,221
Depreciation		334
Increase in allowance for doubtful accounts		13
Increase in accrued pension and severance costs		35
Interest and dividend income		(182)
Interest expense		1
Foreign exchange gain		(2)
Loss on disposal of fixed assets		19
Decrease in notes and accounts receivable, trade		3,054
Decrease in inventories		487
Decrease in accounts receivable, other		4,028
Decrease in notes and accounts payable, trade		(2,492)
Decrease in accrued expenses		(3,483)
Increase in consumption tax payable		43
Decrease in deposits received		(59)
Other		119
Sub-total		5,136
Proceeds from interest and dividend income		182
Payments for interest expense		(1)
Payments for income taxes and other		(1,165)
Net cash provided by operating activities		4,152
Cash flow from investing activities		
Purchases of property and equipment		(202)
Purchases of intangible assets		(126)
Purchases of investment securities		(1,227)
Other		(212)
Net cash used in investing activities		(1,767)
Cash flows from financing activities		
Dividends paid		(399)
Repayments of lease obligations		(5)
Purchase of treasury stock		(0)
Net cash used in financing activities		(404)
Effect of exchange rate changes on cash and cash equivalents		2
Increase in cash and cash equivalents		1,983
Cash and cash equivalents at beginning of term		16,947
Cash and cash equivalents at end of term		18,930

[Reference]

(1) Statements of Income

(Units: Millions of yen)

Items	Term	Six months ended September 30, 2007
		Amount
Net sales		60,210
Cost of sales		53,135
Gross profit		7,075
Selling, general and administrative expenses		4,111
Operating income		2,964
Non-operating income		95
Non-operating expenses		18
Ordinary income		3,041
Income before income taxes		3,041
Income taxes		892
Deferred income taxes		403
Net income		1,746

(2) Statements of Cash Flows

(Units: Millions of yen)

Items	Term	Six months ended Sept. 30, 2007
		Amount
Cash flows from operating activities		
Income before income taxes		3,041
Depreciation		387
Increase in allowance for doubtful accounts		4
Increase in accrued pension and severance costs		62
Interest and dividend income		(88)
Interest expenses		0
Foreign exchange loss		0
Loss on disposal of property and equipment		9
Loss on disposal of intangible assets		0
Loss on devaluation of property and equipment		5
Decrease in notes and accounts receivable, trade		6,349
Decrease in inventories		346
Decrease in accounts receivable, other		4,037
Decrease in notes and accounts payable, trade		(6,688)
Decrease in accrued expenses		(3,521)
Increase in consumption tax payable		125
Decrease in deposits received		(77)
Other		(15)
Sub-total		3,976
Proceeds from interest and dividend income		88
Payments for interest expense		(0)
Payments for income taxes and other		(1,685)
Net cash provided by operating activities		2,379
Cash flows from investing activities		
Purchases of property and equipment		(256)
Purchases of intangible assets		(306)
Proceeds from transfer of business		88
Purchases of investment securities		(2,010)
Other		(1)
Net cash used in investing activities		(2,485)
Cash flows from financing activities		
Dividends paid		(363)
Net cash used in financing activities		(363)
Effect of exchange rate changes on cash and cash equivalents		(0)
Decrease in cash and cash equivalents		(469)
Cash and cash equivalents at beginning of term		17,501
Cash and cash equivalents at end of term		17,032

[Supplementary Information]

(1) Financial highlights

(Units: Millions of yen)

	Six months ended September 30, 2007	Six months ended September 30, 2008	% Change	Forecast for Full Year ending March 31, 2009	% Change from FY 2007
Net sales	60,210	59,878	(0.6%)	125,000	(3.1%)
Operating income	2,964	2,998	1.2%	5,750	0.2%
<Operating income to Net sales>	<4.9%>	<5.0%>		<4.6%>	
Ordinary income	3,041	3,161	3.9%	5,850	0.1%
<Ordinary income to Net sales>	<5.1%>	<5.3%>		<4.7%>	
Net income	1,746	1,836	5.1%	3,400	0.3%
<Net income to Net sales>	<2.9%>	<3.1%>		<2.7%>	
Net income per share	120.19Yen	126.33Yen		234.01Yen	
Dividend per share	27.50Yen	30.00Yen		60.00Yen	
Dividend payout Ratio	22.9%	23.7%		25.6%	
Total assets Turnover	2.11Times	2.15Times		2.14Times	
Return on assets	10.7%	11.3%		10.0%	
Return on equity	12.8%	12.4%		11.2%	
Net cash provided by Operating activities	2,379	4,152	74.5%	5,400	44.9%
Net cash used in Investing activities	(2,485)	(1,767)		(3,600)	
Free cash flows	(106)	2,385		1,800	
Net cash used in Financing activities	(363)	(404)		(840)	
Number of employees	1,034	1,017		1,030	

(2) Business Segment Information

(Units: Millions of yen)

		Six months ended September 30, 2007 (Rearranged)		Six months ended September 30, 2008		% Change	Forecast for Full Year ending March 31, 2009		% Change from FY 2007
		Amount	%	Amount	%		Amount	%	
Mobile Sales Business	Net sales	49,839	82.8	47,995	80.2	(3.7)	100,700	80.6	(6.7)
	Operating income	1,353	45.6	1,128	37.6	(16.6)	2,320	40.3	(6.5)
	%	2.7%		2.4%			2.3%		
Mobile Service Business	Net sales	10,371	17.2	11,883	19.8	14.6	24,300	19.4	15.4
	Operating income	1,611	54.4	1,870	62.4	16.1	3,430	59.7	5.2
	%	15.5%		15.7%			14.1%		
Total	Net sales	60,210	100.0	59,878	100.0	(0.6)	125,000	100.0	(3.1)
	Operating income	2,964	100.0	2,998	100.0	1.2	5,750	100.0	0.2
	%	4.9%		5.0%			4.6%		

Note: Effective from the start of the fiscal year ending March 31, 2009, NEC Mobiling's businesses are classified into the segments of "Mobile Sales Business" and "Mobile Service Business." In essence, NEC Mobiling's ASP services for mobile phones and other mobile solution services, which were classified under the "Mobile Sales Business" up to the end of the previous fiscal year, are now classified under "Mobile Service Business" in an effort to better reflect the business details of such services.