

**Financial Results for
the First Quarter of the Fiscal Year
ending March 31, 2010**

(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 First Quarter of the Fiscal Year ending March 31, 2010

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1. Financial Results for the First Quarter ended June 30, 2009

(1) Business Results

(Units: Millions of yen)

	Three months ended June 30, 2008		Three months ended June 30, 2009	
		% change		% change
Net Sales	29,807	-- %	28,006	(6.0 %)
Operating Income	1,269	-- %	1,791	41.1 %
Ordinary Income	1,352	-- %	1,874	38.6 %
Net Income	771	-- %	1,068	38.5 %
Net Income per Share (Yen)	53.04		73.49	
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 June 30, 2009	As of March 31, 2009
Total Assets	57,878	60,267
Net Assets	32,013	31,164
Net Assets Ratio	55.3%	51.7%
Net Assets per Share (Yen)	2,203.31	2,144.91

2. Dividends

(Units: Yen)

	Full Year ended March 31, 2009	Full Year ending March 31, 2010	
			(Forecast)
Annual Dividends per Share	60.00		70.00
First Quarter	--	--	
Second Quarter	30.00		35.00
Third Quarter	--		--
Year-end	30.00		35.00

3. Forecast for the Fiscal Year ending March 31, 2010

(Units: Millions of yen)

	First Half ending September 30, 2009		Full Year ending March 31, 2010	
		% change		% change
Net Sales	58,500	(2.3%)	120,000	(3.6%)
Operating Income	3,000	0.1%	6,550	0.4%
Ordinary Income	3,100	(1.9%)	6,750	0.1%
Net Income	1,750	(4.7%)	3,800	14.5%
Net Income per share (Yen)	120.45		261.54	

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 May 11, 2009.

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: none

(3) Number of shares outstanding

1. Shares outstanding at end of term:	As of June 30, 2009:	14,529,400
	As of March 31, 2009:	14,529,400
2. Treasury stocks at end of term:	As of June 30, 2009:	70
	As of March 31, 2009:	70
3. Average number of shares outstanding during the term:	Three months ended June 30, 2009:	14,529,330
	Three months ended June 30, 2008:	14,529,354

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 quarter, which ended on June 30, 2009, Japan's economy remained in a difficult environment, which caused a significant drop in capital expenditure and corporate profit, despite some signs of a turnaround, albeit uneven, in personal consumption, exports and production.

The mobile phone sales market also continued to exhibit weakness in the same period, as characterized by a year-on-year drop of more than 10% in the number of mobile phones sold. The decline was primarily attributable to a longer replacement cycle of handsets and lower churn rates experienced by major mobile network operators, in addition to the persistent sluggishness of the overall economy.

Within this operating environment, the Company redoubled its efforts to spark replacement demand for mobile handsets with advanced functions, while embarking on measures targeting higher operational efficiency.

As a result, the Company posted net sales of ¥2,806 million (down 6.0% year on year). The result primarily reflected a decrease in the number of mobile handsets sold by the Mobile Service Business, which was offset, to an extent, by an increase in demand for maintenance services for mobile handsets enjoyed by the Mobile Service Business. In terms of profit, the Company posted operating income of ¥1,791 million (up 41.1% year-on-year), ordinary income of ¥1,874 million (up 38.6%) and net income of ¥1,068 million (up 38.5%), fueled by greater operational efficiency and higher demand for maintenance services, among others.

(2) Segment overview

(Mobile Sales Business)

Despite the release of new models, predominantly with high-end functions, such as one-segment TV broadcasting, GPS, music streaming, electronic wallet and water-proofing, the mobile phone sales market remained slow throughout the first quarter.

Under these circumstances, the Company redoubled efforts to increase sales of handsets with advanced functions and to expand sales channels. However, the Company's unit sales fell more than 10% year on year to 317 thousand units, impacted by the overall market sluggishness.

As a result, net sales of the Business came in at ¥20,899 million (down 15.0% year on year). Operating income, conversely, rose 59.6%, to ¥690 million, due to the success of measures designed for higher operational efficiency.

(Mobil Service Business)

In the first quarter, which ended on June 30, 2009, demand for maintenance services rose on a year-on-year basis, in contrast to the declining unit-sales of handsets.

The Business consequently achieved net sales of ¥7,107 million (up 36.1% year on year), despite a decrease in demand related to the maintenance of mobile communications base station systems for mobile network operators. Operating income, boosted by higher net sales and improved operational efficiency, also rose 31.5%, to ¥1,101 million.

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

Total assets stood at ¥57,878 million at the end of the first quarter, reflecting a decrease of ¥2,389 million from the end of the previous fiscal year.

Total liabilities decreased ¥3,238 million to ¥25,865 million, and total net assets increased ¥849 million, to ¥32,013 million.

Consequently, the Company's equity ratio improved 3.6 points from the end of the previous fiscal year, to 55.3%.

Cash flows provided from operating activities were ¥659 million.

The result was attributable to cash increasing factors, such as the posting of net income before taxes and lower trade and non-trade receivables, which more than offset cash decreasing factors such as higher inventories, lower non-trade payables and payment of income taxes.

The inflow was ¥363 million less than the inflow of the first quarter of the previous fiscal year, reflecting the effects of changes in assets and liabilities and higher income taxes paid, which exceeded the year-on-year increase in net income before taxes.

Cash used by investing activities amounted to ¥242 million.

The number primarily represented disbursements linked to the acquisition of fixed assets.

The outflow was ¥1,402 million less than that experienced during the first quarter of the previous fiscal year, in which the Company incurred disbursements linked to the acquisition of investment securities.

Cash decreased ¥430 million in conjunction with financing activities, which consisted principally of the payment of end-of-year dividends for the 37th business year.

The outflow during the first quarter was ¥41 million more than the amount recorded for the same period in the previous fiscal year, reflecting the higher per-share dividend payment.

Cash and cash equivalents as of the end of the first quarter stood at ¥21,055 million, down ¥13 million from the end of the preceding fiscal year, as a result of the above activities.

3. Qualitative information pertaining to earnings forecasts

No revision has been made to the earnings forecast figures announced by the Company on May 11, 2009.

Non-consolidated Financial Statements
(1) Balance Sheets

(Units: Millions of yen)

Items	Term	As of	As of
		June 30, 2009	March 31, 2009
		Amount	Amount
Assets			
Cash on hand and in banks		11,056	11,069
Notes and Accounts receivable, trade		13,756	15,843
Marketable securities		999	998
Merchandise and Finished products		4,319	3,085
Work in process		921	654
Raw materials and Supplies		1,193	704
Accounts receivable, other		4,875	7,277
Affiliated company deposits		9,000	9,001
Other		1,537	1,521
Allowance for doubtful accounts		(5)	(6)
Current assets		47,651	50,146
Property and equipment		1,434	1,453
Intangible assets		959	1,040
Investments and other assets		7,834	7,628
Fixed assets		10,227	10,121
Total assets		57,878	60,267
Liabilities			
Notes and accounts payable, trade		13,391	12,658
Accrued corporate taxes		778	1,650
Provision for bonuses		571	--
Accounts payable, other		5,834	9,413
Other		1,425	1,508
Current liabilities		21,999	25,229
Accrued pension and severance costs		3,388	3,400
Other		478	474
Long-term liabilities		3,866	3,874
Total liabilities		25,865	29,103
Net assets			
Common stock		2,371	2,371
Additional paid-in capital		2,707	2,707
Retained earnings		27,252	26,620
Treasury stocks		(0)	(0)
Total shareholders' equity		32,330	31,698
Unrealized gains (losses) on marketable securities		(317)	(534)
Valuation and translation adjustments		(317)	(534)
Total net assets		32,013	31,164
Total liabilities and net assets		57,878	60,267

(2) Statements of Income

(Units: Millions of yen)

Items	Term	Three months ended June 30, 2008	Three months ended June 30, 2009
		Amount	Amount
Net sales		29,807	28,006
Cost of sales		26,614	24,158
Gross profit		3,193	3,848
Selling, general and administrative expenses		1,924	2,057
Operating income		1,269	1,791
Non-operating income		93	95
Interest income		13	19
Dividend income		74	74
Miscellaneous income		6	2
Non-operating expenses		10	12
Interest expense		0	1
Loss on disposal of fixed assets		9	11
Miscellaneous expenses		1	0
Ordinary income		1,352	1,874
Income before income taxes		1,352	1,874
Income taxes		581	806
Net income		771	1,068

(3) Statements of Cash Flows

(Units: Millions of yen)

Term	Three months ended June 30, 2008	Three months ended June 30, 2009
Items		
Cash flow from operating activities		
Income before income taxes	1,352	1,874
Depreciation	162	175
Increase (decrease) in allowance for doubtful accounts	1	3
Increase (decrease) in accrued pension and severance costs	12	1
Interest and dividend income	(87)	(93)
Interest expense	0	1
Foreign exchange (gains) loss	(3)	0
Loss on disposal of fixed assets	9	11
(Increase) decrease in notes and accounts receivable, trade	2,458	2,087
(Increase) decrease in inventories	(892)	(1,992)
(Increase) decrease in accounts receivable, other	2,392	2,402
Increase (decrease) in notes and accounts payable, trade	(407)	709
Increase (decrease) in accrued expenses	(3,184)	(3,579)
Increase (decrease) in consumption tax payable	26	(86)
Increase (decrease) in deposits received	201	235
Other	55	470
Sub-total	2,095	2,218
Proceeds from interest and dividend income	87	93
Payments for interest expense	(0)	(1)
Payments for income taxes and other	(1,160)	(1,651)
Net cash provided by operating activities	1,022	659
Cash flow from investing activities		
Purchases of property and equipment	(147)	(158)
Purchases of intangible assets	(61)	(97)
Purchases of investment securities	(1,227)	--
Other	(209)	13
Net cash used in investing activities	(1,644)	(242)
Cash flows from financing activities		
Dividends paid	(387)	(425)
Repayments of lease obligations	(2)	(5)
Purchase of treasury stock	(0)	--
Net cash used in financing activities	(389)	(430)
Effect of exchange rate changes on cash and cash equivalents	3	(0)
Increase (decrease) in cash and cash equivalents	(1,008)	(13)
Cash and cash equivalents at beginning of term	16,947	21,068
Cash and cash equivalents at end of term	15,939	21,055

(4) Business Segment Information

(Units: Millions of yen)

		Three months ended June 30, 2008		Three months ended June 30, 2009		Change
		Amount	%	Amount	%	%
Mobile Sales Business	Net sales	24,586	82.5	20,899	74.6	(15.0)
	Operating income	432	34.0	690	38.5	59.6
	%	1.8%		3.3%		
Mobile Service Business	Net sales	5,221	17.5	7,107	25.4	36.1
	Operating income	837	66.0	1,101	61.5	31.5
	%	16.0%		15.5%		
Total	Net sales	29,807	100.0	28,006	100.0	(6.0)
	Operating income	1,269	100.0	1,791	100.0	41.1
	%	4.3%		6.4%		