

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

Company Name: NEC Mobiling, Ltd.

Head Office: Yokohama, Japan
 President: Katsuhiko Nakagawa
 Inquiries: Public and Investor Relations Office
 Telephone: +81 45 476 6622

Date of Publication: January 27, 2010
 Listed Exchanges: Tokyo Stock Exchange
 Stock Code: 9430
 Homepage: <http://www.nec-mobiling.com/>

1. Financial Results for the Third Quarter ended December 31, 2009

(1) Business Results

(Units: Millions of yen)

	Nine months ended December 31, 2008		Nine months ended December 31, 2009	
		% change		% change
Net Sales	90,733	-- %	85,993	(5.2) %
Operating Income	4,798	-- %	6,644	38.5 %
Ordinary Income	5,005	-- %	6,763	35.1 %
Net Income	2,308	-- %	3,868	67.6 %
Net Income per Share (Yen)	158.83		266.23	
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, 2009	As of March 31, 2009
Total Assets	60,759	60,267
Net Assets	34,196	31,164
Net Assets Ratio	56.3%	51.7%
Net Assets per Share (Yen)	2,353.61	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		75.00
First Quarter	--	--	
Second Quarter	30.00	35.00	
Third Quarter	--	--	
Year-end	30.00		40.00

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

(Units: Millions of yen)

	Full Year ending March 31, 2010	
		% change
Net Sales	114,000	(8.4)%
Operating Income	7,800	19.5%
Ordinary Income	8,000	18.6%
Net Income	4,550	37.1%
Net Income per share (Yen)	313.16	

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 October 29, 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 December 31, 2009:	14,529,400
	As of March 31, 2009:	14,529,400
2. Treasury stocks at end of term:	As of December 31, 2009:	70
	As of March 31, 2009:	70
3. Average number of shares outstanding during the term:	Nine months ended December 31, 2009:	14,529,330
	Nine months ended December 31, 2008:	14,529,348

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 nine-month period ended December 31, 2009, the stronger yen and deflationary forces put an effective cap on corporate profit in Japan, despite some signs of recovery in select export and production sectors, which benefited from the government's economic stimulus measures, such as the eco-points program, and the economic strength of newly industrialized nations. Employment and personal consumption also remained at a low level.

The mobile phone sales market remained lethargic throughout this period under review as characterized by a year-on-year drop of about 10% in the number of mobile phones sold. The decrease was attributable primarily to a longer replacement cycle of handsets and lower churn rates experienced by the major mobile phone network operators, in addition to the weak economy.

Within this operating environment, the Company stepped up efforts to improve service quality offered to customers at points of sales, actively sought to spark replacement demand for mobile handsets with advanced functions, and embarked on measures aimed at higher operational efficiency.

As a result, the Company posted net sales of ¥85,993 million, (down 5.2% year on year) for the nine-month period ended December 31, 2009. This reflected a decrease in the number of mobile handsets sold by the Mobile Sales Business, which was partially offset by an increase in demand for maintenance services for mobile handsets contracted by the Mobile Service Business. In terms of profits, the Company posted operating income of ¥6,644 million (up 38.5%), ordinary income of ¥6,763 million (up 35.1%), and net income of ¥3,868 million (up 67.6%), fueled by greater operational efficiency together with higher demand for maintenance services.

(2) Segment Overview

(Mobile Sales Business)

The product lineup for mobile handsets has been enhanced with the release of smartphones and mobile phones with Wi-Fi connectivity, as well as high-end handsets allowing GPS and e-wallet-enabled applications for life-assistance services and video downloading. The major mobile phone network operators sought to capture new subscribers and retain existing ones by slashing communication charges, including the minimum charge for flat-rate data communications plans, and by launching special sales promotions with discounted packages combining a data communication card and a PC. However, these efforts fell short of halting the decline in mobile phone unit sales.

Within this environment, the Company focused strongly on measures to improve customer service quality, boost sales of handsets with advanced functions, and expand sales channels. Despite these measures, sales of handsets fell more than 10% year on year, to 945 thousand units, adversely affected by the overall sluggishness of the market.

As a result, net sales came in at ¥61,680 million (down 14.1% year on year). However, operating income, in contrast, rose 53.9% to ¥2,725 million, buoyed by improved profitability attributable to the stable retail price of mobile handsets and higher profits generated by low-profit businesses, as well as by the success of measures carried out by individual retail outlets for maximizing profits and minimizing losses.

(Mobile Service Business)

The nine-month period saw greater demand for maintenance services as a result of enhanced guarantees extended by mobile phone network operators compared to the corresponding period last year, in contrast to the declining number of handsets sold.

Consequently, net sales of ¥24,313 million (up 28.6% year on year) were achieved despite a decrease in demand related to the maintenance of mobile communication base station systems for mobile phone network operators. An increase in net sales and greater operational efficiency also boosted operating income by 29.4%, to ¥3,919 million.

2. Qualitative Information pertaining to the Financial Standing of the Company

Total assets stood at ¥60,759 million as of the end of December 31, 2009, reflecting an increase of ¥492 million from the end of the previous fiscal year on March 31, 2009, due to an increase in investment securities and higher inventories.

Total liabilities decreased ¥2,540 million over the same period, to ¥26,563 million. The decrease was

Non-consolidated Financial Results for the Third Quarter of the Fiscal Year ending March 31, 2010

largely due to a reduction in accrued expenses.

Meanwhile, total net assets increased ¥3,032 million to ¥34,196 million principally as a result of an increase in retained earnings.

Consequently, the Company's equity ratio improved 4.6 points from the end of the previous fiscal year to 56.3%.

Cash and cash equivalents stood at ¥21,755 million as of December 31, 2009, up ¥687 million from the end of the previous fiscal year.

Cash flows provided from operating activities in the nine-month period under review were ¥2,004 million.

The inflow was primarily 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 accrued expenses, and the payment of income taxes.

However, the inflow consisted of ¥1,956 million less than that posted in the same period in the previous fiscal year. Factors contributing to this included the impact of the increase/decrease in assets and liabilities and higher income taxes paid, which more than canceled out the increase in net income before taxes.

Cash used by investing activities amounted to ¥363 million, which primarily represented disbursements linked to the acquisition of fixed assets. The outflow consisted of ¥1,434 million less than the outflow recorded for the same period in the previous fiscal year, in which the Company incurred disbursements linked to the acquisition of investment securities.

Cash decreased ¥953 million in conjunction with financing activities, which consisted primarily of the payment of end-of-year dividends for the previous fiscal year and interim dividends for the current fiscal year. The outflow was ¥116 million more than the outflow recorded for the same period in the previous fiscal year, reflecting the higher per-share dividend declared for the end-of-year and interim periods.

3. Qualitative Information pertaining to Earnings Forecasts

No revision has been made on the earnings forecasts released on October 29, 2009.

5. Non-consolidated Financial Statements

(1) Balance Sheets

(Units: Millions of yen)

Items	Term	As of	As of
		December 31, 2009	March 31, 2009
		Amount	Amount
Assets			
Cash on hand and in banks		9,757	11,069
Notes and Accounts receivable, trade		14,942	15,843
Marketable securities		2,998	998
Merchandise and Finished products		3,882	3,085
Work in process		1,772	654
Raw materials and Supplies		693	704
Accounts receivable, other		6,222	7,277
Affiliated company deposits		9,000	9,001
Other		1,551	1,521
Allowance for doubtful accounts		(7)	(6)
Current assets		50,810	50,146
Property and equipment		1,380	1,453
Intangible assets		866	1,040
Investments and other assets		7,703	7,628
Fixed assets		9,949	10,121
Total assets		60,759	60,267
Liabilities			
Notes and accounts payable, trade		12,253	12,658
Accrued corporate taxes		1,552	1,650
Provision for bonuses		553	--
Accounts payable, other		6,550	9,413
Other		1,685	1,508
Current liabilities		22,593	25,229
Accrued pension and severance costs		3,485	3,400
Other		485	474
Long-term liabilities		3,970	3,874
Total liabilities		26,563	29,103
Net assets			
Common stock		2,371	2,371
Additional paid-in capital		2,707	2,707
Retained earnings		29,544	26,620
Treasury stocks		(0)	(0)
Total shareholders' equity		34,622	31,698
Unrealized gains (losses) on marketable securities		(426)	(534)
Valuation and translation adjustments		(426)	(534)
Total net assets		34,196	31,164
Total liabilities and net assets		60,759	60,267

Non-consolidated Financial Results for the Third Quarter of the Fiscal Year ending March 31, 2010

(2) Statements of Income

(Units: Millions of yen)

Items	Term	Nine months ended December 31, 2008	Nine months ended December 31, 2009
		Amount	Amount
Net sales		90,733	85,993
Cost of sales		80,091	73,197
Gross profit		10,642	12,796
Selling, general and administrative expenses		5,844	6,152
Operating income		4,798	6,644
Non-operating income			
Interest income		59	49
Dividend income		211	159
Miscellaneous income		5	6
Total non-operating income		275	214
Non-operating expenses			
Interest expense		1	2
Loss on disposal of fixed assets		45	88
Miscellaneous expenses		22	5
Total non-operating expenses		68	95
Ordinary income		5,005	6,763
Extraordinary gains			
Compensation for transfer		60	--
Total extraordinary gains		60	--
Extraordinary losses			
Loss on devaluation of investment securities		987	--
Total extraordinary losses		987	--
Income before income taxes		4,078	6,763
Income taxes		1,770	2,895
Net income		2,308	3,868

(3) Statements of Cash Flows

(Units: Millions of yen)

Term	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Items		
Cash flow from operating activities		
Income before income taxes	4,078	6,763
Depreciation	516	541
Increase (decrease) in allowance for doubtful accounts	12	(3)
Increase (decrease) in accrued pension and severance costs	61	110
Interest and dividend income	(270)	(208)
Interest expense	1	2
Foreign exchange losses (gains)	1	1
Loss on disposal of fixed assets	45	88
Loss on devaluation of investment securities	987	--
(Increase) decrease in notes and accounts receivable, trade	471	901
(Increase) decrease in inventories	(1,148)	(1,905)
(Increase) decrease in accounts receivable, other	2,971	1,055
Increase (decrease) in notes and accounts payable, trade	1,031	(417)
Increase (decrease) in accrued expenses	(3,236)	(2,863)
Increase (decrease) in consumption tax payable	56	14
Increase (decrease) in deposits received	205	302
Other	68	414
Sub-total	5,849	4,795
Proceeds from interest and dividend income	270	208
Payments for interest expense	(1)	(2)
Payments for income taxes and other	(2,158)	(2,997)
Net cash provided by operating activities	3,960	2,004
Cash flow from investing activities		
Purchases of property and equipment	(212)	(248)
Purchases of intangible assets	(144)	(172)
Purchases of investment securities	(1,227)	--
Proceeds from sales of investment securities	--	46
Other	(214)	11
Net cash used in investing activities	(1,797)	(363)
Cash flows from financing activities		
Dividends paid	(829)	(939)
Repayments of lease obligations	(8)	(14)
Purchase of treasury stock	(0)	--
Net cash used in financing activities	(837)	(953)
Effect of exchange rate changes on cash and cash equivalents	(1)	(1)
Increase (decrease) in cash and cash equivalents	1,325	687
Cash and cash equivalents at beginning of term	16,947	21,068
Cash and cash equivalents at end of term	18,272	21,755

Non-consolidated Financial Results for the Third Quarter of the Fiscal Year ending March 31, 2010

(4) Business Segment Information

(Units: Millions of yen)

		Nine months ended December 31, 2008		Nine months ended December 31, 2009		% Change	Forecast for Full Year ending March 31, 2009		% Change from FY 2008
		Amount	%	Amount	%		Amount	%	
Mobile Sales Business	Net sales	71,826	79.2	61,680	71.7	(14.1)	83,000	72.8	(16)
	Operating income	1,770	36.9	2,725	41.0	53.9	3,200	41.0	16
	%	2.5		4.4			3.9		
Mobile Service Business	Net sales	18,907	20.8	24,313	28.3	28.6	31,000	27.2	19
	Operating income	3,028	63.1	3,919	59.0	29.4	4,600	59.0	22
	%	16.0		16.1			14.8		
Total	Net sales	90,733	100.0	85,993	100.0	(5.2)	114,000	100.0	(8)
	Operating income	4,798	100.0	6,644	100.0	38.5	7,800	100.0	20
	%	5.3		7.7			6.8		