

Consolidated Financial Results for the Fiscal Year ended 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.

Consolidated Financial Results for the Fiscal Year ended March 31, 2010

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Homepage: <http://www.nec-mobiling.com>

Scheduled Date of Dividend Payment: June 1, 2010

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2010

(1) Consolidated Business Results

(Units: Millions of yen)

	Full Year ended March 31, 2009		Full Year ended March 31, 2010	
	% change		% change	
Net Sales	--	--	--	--
Operating Income	--	--	--	--
Ordinary Income	--	--	--	--
Net Income	--	--	--	--
Net Income per Share (Yen)	--	--	--	--
Net Income per Share, fully diluted (Yen)	--	--	--	--
Return on Equity	--	--	--	--
Return (Ordinary Income) on Assets	--	--	--	--
Operating Income to Net Sales	--	--	--	--

Note: Equity in earnings of affiliated companies: Full Year ended March 31, 2009: --
Full Year ended March 31, 2010: --

(2) Consolidated Financial Position

(Units: Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Total Assets	--	67,233
Net Assets	--	34,818
Net Assets Ratio	--	51.8%
Net Assets per Share (Yen)	--	2,396.38

(3) Consolidated Cash Flows

(Units: Millions of yen)

	Full Year ended March 31, 2009	Full Year ended March 31, 2010
Net Cash provided by Operating Activities	--	--
Net Cash used in Investing Activities	--	--
Net Cash used in Financing Activities	--	--
Cash and Cash Equivalents at end of year	--	--

2. Dividends

(Units: Millions of yen)

	Full Year ended March 31, 2009	Full Year ended March 31, 2010	Forecast for Full Year ending March 31, 2011
Annual Dividends per Share (Yen)	60.00	85.00	100.00
Interim (Yen)	30.00	35.00	50.00
Year - End (Yen)	30.00	50.00	50.00
Total Dividends paid (Annual)	872	1,235	
Dividend Payout Ratio (Consolidated)	--	--	30.3%
Dividend Rate for Net Assets (Consolidated)	--	--	

3. Consolidated Financial Forecast for the Fiscal Year ending March 31, 2011

(Units: Millions of yen)

	First Half ending September 30, 2010	Full Year ending March 31, 2011
	% change	% change
Net Sales	62,600 --	127,000 --
Operating income	4,300 --	8,300 --
Ordinary Income	4,350 --	8,400 --
Net Income	2,480 --	4,800 --
Net Income per Share (Yen)	170.69	330.37

Note: Percentages for Net Sales, Operating Income, Ordinary Income and Net Income represent change from the previous fiscal year.

4. Other information

(1) Number of shares outstanding

1. Shares outstanding at end of term:	As of March 31, 2009:	14,529,400
	As of March 31, 2010:	14,529,400
2. Treasury stocks at end of term:	As of March 31, 2009:	70
	As of March 31, 2010:	70

(2) Consolidated Financial Statements

On March 31, 2010, NEC Mobiling acquired a 100% stake in Matsuhaya Corporation, which, together with its two subsidiaries, is now included in NEC Mobiling's scope of consolidation. Consolidated financial statements, however, are not presented in this report, except for balance sheets, as the fiscal year ended March 31, 2010 was the first business year for NEC Mobiling to report activities on a consolidated basis, and the deemed acquisition date fell on the last day of said fiscal year.

5. Non-Consolidated Financial Results for the Full Year ended March 31, 2010

(1) Non-Consolidated Business Results

(Units: Millions of yen)

	Full Year ended March 31, 2009		Full Year ended March 31, 2010	
		% change		% change
Net Sales	124,501	(3.5)%	117,587	(5.6)%
Operating Income	6,524	13.6%	8,119	24.4%
Ordinary Income	6,745	15.4%	8,224	21.9%
Net Income	3,319	(2.1)%	4,605	38.8%
Net Income per Share (Yen)	228.41		316.93	
Net Income per Share, fully diluted (Yen)	--		--	

(2) Non-Consolidated Financial Position

(Units: Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Total Assets	60,267	65,642
Net Assets	31,164	34,818
Net Assets Ratio	51.7%	53.0%
Net Assets per Share (Yen)	2,144.91	2,396.38

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.

Operating Results for the Fiscal Year ended March 31, 2010

The fiscal year (FY) ended March 31, 2010 was the first business year for the NEC Mobiling Group to report results on a consolidated basis to reflect its acquisition of a certain company, whose deemed acquisition fell on the last day of the said fiscal year. Due to these timing factors, only the balance sheet section is reported on a consolidated basis, while the income statement, the statement of changes in net assets, and the statement of cash flows remain on a non-consolidated basis. It should also be noted that no comparisons between the consolidated FY under review and the preceding consolidated FY are provided in the section of "Analyses of Financial Position", in the absence of consolidated FYs prior to the FY under review.

(1) Analyses of Operating Results

1) Operating Results for the Fiscal Year ended March 31, 2010

General Overview

In the FY ended March 31, 2010, Japan's economy, despite some signs of recovery in select export and production sectors induced by the economic strength of newly industrialized nations, remained in a difficult environment, and was underscored by the strong yen and deflationary forces that impacted corporate profitability, on top of weak employment and sluggish personal consumption.

The mobile phone sales market remained weak, as characterized by a year-on-year (YoY) drop of about 10% in the number of mobile phones sold. The decrease was largely due 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.

In this business environment, the company redoubled its efforts to improve service quality offered to customers at points of sales, actively sought to spark replacement demand, and embarked on measures aimed at improved operational efficiency.

As a result, the company posted net sales of ¥117,587 million (down 5.6% YoY), reflecting a decrease in the number of handsets sold by the Mobile Sales Business, which canceled out an increase in demand for repairs experienced by the Mobile Service Business. Profits, on the other hand, were strongly fueled by actions aimed at greater operational efficiency and especially by an enhanced staff assessment system designed to better motivate employees, in addition to higher demand for maintenance services. As a result, operating income rose 24.4%, to ¥8,119 million, and ordinary income increased 21.9%, to ¥8,224 million. Net income also increased 38.8%, to ¥4,605 million, on lower extraordinary losses reported for the FY under review.

Segment Overview

Mobile Sales Business

The FY under review was underscored by an enhanced mobile phone lineup, including various smartphones, mobile phones with Wi-Fi connectivity, as well as high-end models allowing GPS- and e-wallet-enabled applications for life-assistance services and video downloading. Parallel to this were stepped-up efforts by the major mobile phone network operators to win new customers and halt churn, as demonstrated by the price slashing of communications charges, including lower flat-rate charges for data communications plans and special sales promotions offering PC purchasers incentives to obtain data communications cards alongside being qualified for a discount of their PCs. Despite these attempts, the number of mobile handset units sold remained low throughout the FY, due to diminished consumer perception of affordability in the wake of the launch of the "separation plan" (the separation of handset prices and communications charges), which in effect means higher handset prices for consumers.

In this operating environment, the company focused strongly on measures aimed at greater sales of smartphones and other high-end models, as well as data communications cards, while expanding sales channels. However, the number of handsets sold fell more than 10% YoY, to 1,318 thousand units, reflecting the

overall sluggishness of the market.

As a result, net sales came in at ¥84,464 million, or down 14.1% YoY. Operating income, in contrast, rose 15.6% to ¥3,196 million, reflecting improved profitability posted by low-profit businesses, successful measures carried out by individual retail outlets for profit maximization and loss minimization, and managerial undertakings designed to motivate employees through an enhanced staff assessment system, among others.

Mobile Service Business

The Mobile Service Business was buoyed by greater demand for maintenance services, which was attributable in part to enhanced guarantees extended by mobile phone network operators, in contrast to the declining unit sales of handsets and diminishing replacement demand for newer models.

As a result, net sales rose 26.6% YoY, to ¥33,123 million, despite a decrease in demand related to the maintenance of mobile communications base station systems for mobile phone network operators. An increase in net sales and greater operational efficiency also boosted operating income by 30.9%, to ¥4,923 million.

2) Outlook for the Fiscal Year ending March 2011

Japan's economy, which has been impacted by the global economic slowdown for some time, is on solid track to recovery, but will remain vulnerable to downside risks to the global economy and to progressing deflation.

For the mobile communications market, stronger efforts by mobile phone network operators for customer retention and actions to encourage mobile data communications are likely. Another factor likely to shape the future course of the market includes the government's expected announcement of guidelines to allow SIM free, a shift from the current SIM lock*, which, in turn, will lead to a full-fledged penetration of smartphones and will open up a new horizon of utilization for mobile phones. Additionally, the accelerated introduction of Femtocell ultra-compact cellular base stations will result in stiffer competition among network operators vying to improve communications quality in their coverage areas. Competition among agent distributors of handsets is also likely to intensify, resulting in accelerated restructuring.

In this environment, the company is rolling out measures designed to proactively drive business expansion, to capture a greater market share, and to strengthen its position at the forefront of mobile phone handset sales, in an effort to achieve growth in an information-based society with broadband and mobile Internet at the core. Parallel emphasis will be placed on new business creation and expansion, in addition to the launch of new service undertakings.

The company's earnings forecasts for the FY ending March 31, 2011 are discussed below. Please note that the earnings of Matsuhaya Corporation, which is now a subsidiary of NEC Mobiling, has been incorporated into the forecasts below.

Net Sales: ¥127 billion (YoY increase of 8%)

Operating Income: ¥8.3 billion (YoY increase of 2%)

Ordinary Income: ¥8.4 billion (YoY increase of 2%)

Net Income: ¥4.8 billion (YoY increase of 4%)

Note: Non-consolidated results of the FY ended March 2010 were used for the purpose of the YoY comparisons above.

* SIM lock is a mobile phone handset feature that restricts the use of mobile phones to specific mobile phone network operators, with which handset purchasers signed communications contracts at the time of their handset purchases.

(2) Analyses of Financial Position

1) Position as of March 31, 2010

Assets, Liabilities, and Net Assets

Note: No YoY comparisons are provided below since the FY ended March 31, 2010 was the first FY in which results were reported on a consolidated basis.

Total assets at the end of the consolidated FY ended March 31, 2010 stood at ¥67,233 million, which consisted of ¥53,112 million in current assets and ¥14,121 million in fixed assets. Liabilities amounted to ¥32,415 million, comprising ¥28,121 million in current liabilities and ¥4,294 million in long-term liabilities. Total net assets came in at ¥34,818 million, and the company's equity ratio was 51.8% at the end of the FY under review.

Cash Flows

Note: No consolidated cash flow statements are available. The numbers below represent non-consolidated amounts.

Cash and cash equivalents (hereinafter referred to as "cash") decreased ¥1,254 million from March 31, 2009, to ¥19,814 million. The decrease was due to a greater disbursement of funds for investing activities in conjunction with the acquisition of a certain company.

Cash Flows from Operating Activities

Cash provided by operating activities during the FY under review amounted to ¥5,096 million (down 27.8% from the previous FY).

This result was attributable to cash-increasing factors, including the posting of net income before taxes, depreciation and amortization, and higher trade payables, which more than offset cash-decreasing factors, such as higher inventories and income taxes paid.

The inflow was ¥1,966 million less than the inflow during the previous FY. Factors contributing to this included an impact of changes in the company's assets/liabilities and higher income taxes paid.

Cash Flows from Investing Activities

During the FY under review, cash used by investing activities amounted to ¥5,386 million (up 157.3% from the previous FY).

This was primarily attributable to the acquisition of a related company. This acquisition was the primary factor behind the YoY increase in disbursements by ¥3,293 million.

Cash Flows from Financing Activities

Cash decreased ¥963 million (up 13.8% from the previous FY) in conjunction with financing activities, largely on the payment of end-of-year dividends declared for the 37th business year and of interim dividends for the 38th business year.

The outflow, which was ¥116 million more than the outflow posted in the previous FY, was due largely to an increase in per-share dividend payment.

2) Outlook for the Fiscal Year ending March 2011

The company expects that its cash and cash equivalents, as of March 31, 2011, will increase ¥2,800 million from March 31, 2010, to ¥23,500 million, based on its forecasts of cash proceeds of ¥5,300 million from operating activities, disbursements of ¥1,000 million for investing activities, and disbursements of ¥1,500 million for financing activities.

3) Changes in Cash-Flow Indicators

Changes in Cash-Flow Indicators

	FY ended March 2006	FY ended March 2007	FY ended March 2008	FY ended March 2009	FY ended March 2010
Shareholders' Equity Ratio	42.5%	43.0%	49.6%	51.7%	53.0%
Shareholders' Equity Ratio at market value	60.7%	52.5%	34.6%	36.8%	49.7%

Notes: Shareholders' Equity Ratio = Total Net Assets/Total Assets

Shareholders' Equity Ratio at market value = Market Capitalization/Total Assets

* The indicators shown above are based on the company's financial figures.

* The market capitalization used in the calculation of the above is based on the number of shares outstanding, as of the FY-end net of treasury stock.

(3) Basic Policy Regarding Profit Appropriation and Dividends for the Fiscal Year ended March 31, 2010 and the FY Ending March 31, 2011

The company's policy with respect to dividends is to maintain stable payouts considering around 30% payout ratio, in view of its major management priority of according respect and importance to its valued shareholders and in line with its commitment to ensuring ample retained earnings, in order to build a stronger business base and enable future business expansion.

For the FY ended March 31, 2010, the company declared a year-end cash dividend of 50 yen per share. Combined with an interim cash dividend of 35 yen, which was already paid, the annual dividend amounted to 85 yen per share, or 25 yen higher than the previous FY.

The company plans to increase its annual dividend by 15 yen, to 100 yen per share in the FY ending March 31, 2011.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Units: Millions of yen)

Term	As of March 31, 2010
Items	Amount
Assets	
Current assets	
Cash on hand and in banks	8,731
Notes and accounts receivable, trade	16,054
Marketable securities	2,998
Merchandise and Finished products	3,714
Work in process	1,537
Raw materials and Supplies	881
Deferred tax assets	1,626
Accounts receivable, other	7,989
Affiliated company deposits	9,000
Other	589
Allowance for doubtful accounts	(7)
Total current assets	53,112
Fixed assets	
Property and equipment	
Buildings and structures	3,072
Accumulated depreciation	(1,450)
Buildings and structures, net	1,622
Machinery, equipment and vehicles	37
Accumulated depreciation	(19)
Machinery, equipment and vehicles, net	18
Tools, furniture and fixtures	942
Accumulated depreciation	(633)
Tools, furniture and fixtures, net	309
Land	122
Lease assets	94
Accumulated depreciation	(56)
Lease assets, net	38
Construction in progress	11
Total property and equipment	2,120

Consolidated Financial Results for the Fiscal Year ended March 31, 2010

(Units: Millions of yen)

Items	Term	As of March 31, 2010
		Amount
Intangible assets		
Goodwill		2,291
Other		885
Total intangible assets		3,176
Investments and other assets		
Investment securities		2,689
Deferred tax assets		2,013
Other		4,245
Allowance for doubtful accounts		(122)
Total investments and other assets		8,825
Total fixed assets		14,121
Total assets		67,233
Liabilities		
Current liabilities		
Notes and accounts payable, trade		14,034
Accrued corporate taxes		2,566
Accrued loss on subleases		42
Accounts payable, other		9,307
Other		2,172
Total current liabilities		28,121
Long-term liabilities		
Accrued pension and severance costs		3,650
Accrued for directors' retirement benefits		55
Accrued loss on subleases		67
Other		522
Total long-term liabilities		4,294
Total liabilities		32,415
Net assets		
Shareholders' equity		
Common stock		2,371
Additional paid-in capital		2,707
Retained earnings		30,280
Treasury stocks		(0)
Total shareholders' equity		35,358
Valuation and translation adjustments		
Unrealized gains (losses) on marketable securities		(540)
Total valuation and translation adjustments		(540)
Total net assets		34,818
Total liabilities and net assets		67,233

Non-consolidated Financial Statements

(1) Balance Sheets

(Units: Millions of yen)

Items	Term	As of March 31, 2009	As of March 31, 2010
		Amount	Amount
Assets			
Current assets			
Cash on hand and in banks		11,069	7,816
Accounts receivable, trade		15,843	15,843
Marketable securities		998	2,998
Merchandise and Finished products		3,085	3,059
Work in process		654	1,537
Raw materials and Supplies		704	879
Prepaid expenses		224	246
Deferred tax assets		1,055	1,389
Accounts receivable, other		7,277	7,373
Affiliated company deposits		9,001	9,000
Other		242	251
Allowance for doubtful accounts		(6)	(7)
Total current assets		50,146	50,384
Fixed assets			
Property and equipment			
Buildings		1,666	1,721
Accumulated depreciation		(736)	(831)
Buildings, net		930	890
Structures		322	327
Accumulated depreciation		(165)	(189)
Structures, net		157	138
Machinery and equipment		29	34
Accumulated depreciation		(11)	(17)
Machinery and equipment, net		18	17
Tools, furniture and fixtures		845	871
Accumulated depreciation		(567)	(583)
Tools, furniture and fixtures, net		278	288
Lease assets		91	94
Accumulated depreciation		(27)	(56)
Lease assets, net		64	38
Construction in progress		6	11
Total property and equipment		1,453	1,382

Consolidated Financial Results for the Fiscal Year ended March 31, 2010

(Units: Millions of yen)

Items	Term	As of March 31, 2009	As of March 31, 2010
		Amount	Amount
Intangible assets			
Goodwill		10	5
Trademarks		0	0
Software		932	766
Other		98	105
Total intangible assets		1,040	876
Investments and other assets			
Investment securities		2,735	2,678
Stocks of affiliated company		--	5,280
Investment in affiliated company		164	164
Long-term loans		151	118
Long-term loans to employees		0	0
Receivables from companies in bankruptcy and reorganization		84	78
Long-term prepaid expenses		40	18
Deferred tax assets		1,500	1,602
Lease deposits		2,347	2,469
Prepaid pension and severance costs		669	654
Other		20	17
Allowance for doubtful accounts		(82)	(78)
Total investments and other assets		7,628	13,000
Total fixed assets		10,121	15,258
Total assets		60,267	65,642
Liabilities			
Current liabilities			
Notes payable, trade		492	101
Accounts payable, trade		12,166	13,261
Lease obligations		20	21
Accounts payable, other		624	1,202
Accrued expenses		9,413	8,887
Accrued corporate taxes		1,650	2,561
Advances received		239	213
Deposits received		625	607
Total current liabilities		25,229	26,853
Long-term liabilities			
Lease obligations		63	45
Accrued pension and severance costs		3,400	3,521
Other		411	405
Total long-term liabilities		3,874	3,971
Total liabilities		29,103	30,824

Consolidated Financial Results for the Fiscal Year ended March 31, 2010

(Units: Millions of yen)

Items	Term	As of March 31, 2009	As of March 31, 2010
		Amount	Amount
Net assets			
Shareholders' equity			
Common stock		2,371	2,371
Additional paid-in capital			
Additional paid-in capital		2,707	2,707
Total additional paid-in capital		2,707	2,707
Retained earnings			
Legal reserve		21	21
Other retained earnings			
General reserve		22,760	25,060
Retained earnings brought forward		3,839	5,199
Total retained earnings		26,620	30,280
Treasury stocks		(0)	(0)
Total shareholders' equity		31,698	35,358
Valuation and translation adjustments			
Unrealized gains (losses) on marketable securities		(534)	(540)
Total valuation and translation adjustments		(534)	(540)
Total net assets		31,164	34,818
Total liabilities and net assets		60,267	65,642

(2) Statements of Income

(Units: Millions of yen)

Items	Term	Full Year ended March 31, 2009	Full Year ended March 31, 2010
		Amount	Amount
Net sales		124,501	117,587
Cost of sales		109,899	100,893
Gross profit		14,602	16,694
Selling, general and administrative expenses		8,078	8,575
Operating income		6,524	8,119
Non-operating income			
Interest income		85	64
Dividends income		271	203
Other		7	7
Total non-operating income		363	274
Non-operating expenses			
Interest expenses		2	2
Loss on retirement of fixed assets		118	156
Other		22	11
Total non-operating expenses		142	169
Ordinary income		6,745	8,224
Extraordinary gains			
Compensation for transfer		60	--
Total extraordinary gains		60	--
Extraordinary losses			
Loss on devaluation of investment securities		997	--
Impairment loss		--	174
Total extraordinary losses		997	174
Income before income taxes		5,808	8,050
Corporate, inhabitants and enterprise taxes		2,627	3,876
Deferred income taxes		(138)	(431)
Total income taxes		2,489	3,445
Net income		3,319	4,605

(3) Statements of Changes in Net Assets

(Units: Millions of yen)

Items	Term	As of March 31, 2009	As of March 31, 2010
		Amount	Amount
Shareholders' equity			
Common stock			
Balance at the end of previous period		2,371	2,371
Changes of items during the period			
Total changes of items during the period		--	--
Balance at the end of current period		2,371	2,371
Additional paid-in capital			
Additional paid-in capital			
Balance at the end of previous period		2,707	2,707
Changes of items during the period			
Total changes of items during the period		--	--
Balance at the end of current period		2,707	2,707
Total Additional paid-in capital			
Balance at the end of previous period		2,707	2,707
Changes of items during the period			
Total changes of items during the period		--	--
Balance at the end of current period		2,707	2,707
Retained earnings			
Legal reserve			
Balance at the end of previous period		21	21
Changes of items during the period			
Total changes of items during the period		--	--
Balance at the end of current period		21	21
Other retained earnings			
General reserve			
Balance at the end of previous period		20,260	22,760
Changes of items during the period			
Provision for general reserve		2,500	2,300
Total changes of items during the period		2,500	2,300
Balance at the end of current period		22,760	25,060
Retained earnings brought forward			
Balance at the end of previous period		3,856	3,839
Changes of items during the period			
Provision for general reserve		(2,500)	(2,300)
Dividends from surplus		(836)	(945)
Net income		3,319	4,605
Total changes of items during the period		(17)	1,360
Balance at the end of current period		3,839	5,199

Consolidated Financial Results for the Fiscal Year ended March 31, 2010

(Units: Millions of yen)

Items	Term	As of March 31, 2009	As of March 31, 2010
		Amount	Amount
Total retained earnings			
Balance at the end of previous period		24,137	26,620
Changes of items during the period			
Provision for general reserve		--	--
Dividends from surplus		(836)	(945)
Net income		3,319	4,605
Total changes of items during the period		2,483	3,660
Balance at the end of current period		26,620	30,280
Treasury stock			
Balance at the end of previous period		(0)	(0)
Changes of items during the period			
Purchase of treasury stock		(0)	--
Total changes of items during the period		(0)	--
Balance at the end of current period		(0)	(0)
Total shareholders' equity			
Balance at the end of previous period		29,215	31,698
Changes of items during the period			
Dividends from surplus		(836)	(945)
Net income		3,319	4,605
Purchase of treasury stock		(0)	--
Total changes of items during the period		2,483	3,660
Balance at the end of current period		31,698	35,358
Valuation and translation adjustments			
Unrealized gains (losses) on marketable securities			
Balance at the end of previous period		(159)	(534)
Changes of items during the period			
Net changes of items other than shareholders' equity		(375)	(6)
Total changes of items during the period		(375)	(6)
Balance at the end of current period		(534)	(540)
Total valuation and translation adjustments			
Balance at the end of previous period		(159)	(534)
Changes of items during the period			
Net changes of items other than shareholders' equity		(375)	(6)
Total changes of items during the period		(375)	(6)
Balance at the end of current period		(534)	(540)
Total net assets			
Balance at the end of previous period		29,056	31,164
Changes of items during the period			
Dividends from surplus		(836)	(945)
Net income		3,319	4,605
Purchase of treasury stock		(0)	--
Net changes of items other than shareholders' equity		(375)	(6)
Total changes of items during the period		2,108	3,654
Balance at the end of current period		31,164	34,818

(4) Statements of Cash Flows

(Units: Millions of yen)

Term	Full Year ended March 31, 2009	Full Year ended March 31, 2010
Items		
Cash flow from operating activities		
Income before income taxes	5,808	8,050
Depreciation	706	741
Increase (decrease) in allowance for doubtful accounts	45	(3)
Increase (decrease) in accrued pension and severance costs	95	114
Interest and dividend income	(356)	(267)
Interest expense	2	2
Foreign exchange losses (gains)	1	1
Loss on retirement of property and equipment	109	151
Loss on retirement of intangible assets	9	4
Loss on devaluation of investment securities	997	--
Impairment loss	--	174
(Increase) decrease in notes and accounts receivable, trade	(251)	0
(Increase) decrease in inventories	182	(1,034)
(Increase) decrease in accounts receivable, other	1,835	(96)
Increase (decrease) in notes and accounts payable, trade	1,068	686
Increase (decrease) in accrued expenses	(1,454)	(526)
Increase (decrease) in consumption tax payable	85	(24)
Increase (decrease) in deposits received	(46)	(19)
Other	32	(125)
Sub-total	8,867	7,829
Proceeds from interest and dividend income	356	267
Payments for interest expense	(2)	(2)
Payments for income taxes and other	(2,159)	(2,998)
Net cash provided by operating activities	7,062	5,096
Cash flow from investing activities		
Purchases of property and equipment	(367)	(252)
Proceeds from sales of property and equipment	3	0
Purchases of intangible assets	(199)	(207)
Purchases of investment securities	(1,227)	--
Proceeds from sales of investment securities	--	46
Purchase of stocks of affiliated company	--	(4,950)
Other	(303)	(23)
Net cash used in investing activities	(2,093)	(5,386)

Consolidated Financial Results for the Fiscal Year ended March 31, 2010

(Units: Millions of yen)

Items	Term	Full Year ended March 31, 2009	Full Year ended March 31, 2010
Cash flows from financing activities			
Dividends paid		(834)	(944)
Repayments of lease obligations		(13)	(19)
Purchase of treasury stock		(0)	--
Net cash used in financing activities		(847)	(963)
Effect of exchange rate changes on cash and cash equivalents		(1)	(1)
Increase (decrease) in cash and cash equivalents		4,121	(1,254)
Cash and cash equivalents at beginning of period		16,947	21,068
Cash and cash equivalents at end of period		21,068	19,814

Financial Highlights

(1) Supplementary Information

(Units: Millions of yen)

	Full Year ended March 31, 2009 <Non-consolidated>	Full Year ended March 31, 2010 <Non-consolidated>	% Change
Net sales	124,501	117,587	(5.6%)
Operating income	6,524	8,119	24.4%
<Operating income to Net sales>	<5.2%>	<6.9%>	
Ordinary income	6,745	8,224	21.9%
<Ordinary income to Net sales>	<5.4%>	<7.0%>	
Net income	3,319	4,605	38.8%
<Net income to Net sales>	<2.7%>	<3.9%>	
Net income per share	228.41Yen	316.93Yen	--
Dividend per share <Interim>	60.00Yen <30.00Yen>	85.00Yen <35.00Yen>	--
Dividend payout ratio	26.3%	26.8%	--
Total assets Turnover	2.09Times	1.87Times	--
Return (Ordinary income) on assets	11.3%	13.1%	--
Return on equity	11.0%	14.0%	--
Net cash provided by operating activities	7,062	5,096	(27.8%)
Net cash used in investing activities	(2,093)	(5,386)	--
Free cash flows	4,969	(290)	--
Net cash used in financing activities	(847)	(963)	--
Number of employees	1,018	1,027	--

Consolidated Financial Results for the Fiscal Year ended March 31, 2010

(Units: Millions of yen)

	Full Year ended March 31, 2010 <Non-consolidated>	Forecast for Full Year ending March 31, 2011 <Consolidated>	% Change
Net sales	117,587	127,000	8%
Operating income	8,119	8,300	2%
<Operating income to Net sales>	<6.9%>	<6.5%>	
Ordinary income	8,224	8,400	2%
<Ordinary income to Net sales>	<7.0%>	<6.6%>	
Net income	4,605	4,800	4%
<Net income to Net sales>	<3.9%>	<3.8%>	
Net income per share	316.93Yen	330.37Yen	--
Dividend per share <Interim>	85.00Yen <35.00Yen>	100.00Yen <50.00Yen>	--
Dividend payout ratio	26.8%	30.3%	--
Total assets Turnover	1.87Times	1.88Times	--
Return (Ordinary income) on assets	13.1%	12.4%	--
Return on equity	14.0%	13.2%	--
Net cash provided by operating activities	5,096	5,300	4%
Net cash used in investing activities	(5,386)	(1,000)	--
Free cash flows	(290)	4,300	--
Net cash used in financing activities	(963)	(1,500)	--
Number of employees	1,027	1,241	--

(2) Business Segment Information

(Units: Millions of yen)

		Full Year ended March 31, 2009 <Non-consolidated>		Full Year ended March 31, 2010 <Non-consolidated>		% Change %
		Amount	%	Amount	%	
Mobile Sales Business	Net sales	98,347	79.0	84,464	71.8	(14.1)
	Operating income	2,764	42.4	3,196	39.4	15.6
	%	2.8		3.8		
Mobile Service Business	Net sales	26,154	21.0	33,123	28.2	26.6
	Operating income	3,760	57.6	4,923	60.6	30.9
	%	14.4		14.9		
Total	Net sales	124,501	100.0	117,587	100.0	(5.6)
	Operating income	6,524	100.0	8,119	100.0	24.4
	%	5.2		6.9		

(Units: Millions of yen)

		Full Year ended March 31, 2010 <Non-consolidated> (rearranged)		Full Year ended March 31, 2011 <Consolidated>		% Change %
		Amount	%	Amount	%	
Mobile Sales Business	Net sales	84,837	72.1	93,560	73.7	10
	Operating income	3,045	37.5	3,200	38.6	5
	%	3.6		3.4		
Mobile Service Business	Net sales	32,750	27.9	33,440	26.3	2
	Operating income	5,074	62.5	5,100	61.4	1
	%	15.5		15.3		
Total	Net sales	117,587	100.0	127,000	100.0	8
	Operating income	8,119	100.0	8,300	100.0	2
	%	6.9		6.5		

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