

VODAFONE K.K. ANNOUNCES FISCAL 2005 RESULTS

TOKYO: VODAFONE K.K. today announces its results for fiscal 2005 (the year ended at 31 March 2006). Positive net customer additions of 169,200 were recorded in the period due to an expanded lineup of handsets well-suited to the Japanese market, improved network coverage, and the launch of attractive price plans. Net customer additions in the period represented an increase of 79,900 compared to 89,300 in the previous fiscal year and achievement of the turnaround plan announced at the beginning of the period. Consolidated operating revenues declined slightly to 1,467.6¹ billion yen and consolidated ordinary income declined by 51.5% to 74.4 billion yen. Consolidated net profit was 49.5 billion due to an extraordinary profit of 20.0 billion yen.

Consolidated financial summary

<i>¥ billions, except per share data</i>	Fiscal 2005	Fiscal 2004	Change (%)
Operating revenue	1,467.6	1470.0	(0.2%)
Ordinary income	74.4	153.4	(51.5%)
Net income	49.5	162.0	(69.4%)
Earnings per share	¥9,118	¥38,341	(76.2%)

Operating highlights

- Net customer additions totaled 169,200, representing a 3.5% share of market net additions for the fiscal year.
- The launch of 11 new 3G handsets and four flat-rate services helped increase 3G subscriptions by 2,120,400 to a total of 3,037,600 (20.0% of the customer base) at the end of 31 March 2006, compared to 917,200 (6.1% of the customer base) at the end of the previous fiscal year.
- The percentage of prepaid customers was 11% for the fiscal year, unchanged from at the end of March 2005.
- Total ARPU for the fiscal year declined by 4.2% to 5,890 yen compared to the previous fiscal year.
- Data and messaging revenues as a percentage of total service revenue for the fiscal year was 30.4%, a 1.3% point increase from 29.1% recorded in the last fiscal year.

¹ Figures have been rounded unless otherwise indicated.

- Vodafone K.K.'s operating expenditures totaled 1,391.3 billion yen, a 6.0% increase from the previous fiscal year, due to increased customer retention costs resulting from increased upgrades as part of active retention activities, partially offset by a decrease in depreciation cost. A 15.6 billion yen adjustment from the previous fiscal year was recorded as extraordinary profit, due to a change in compensation methods for inter-company charges to the Vodafone Group, to benefit from economies of scale in infrastructure procurement.
- Vodafone K.K.'s EBITDA margin for the period was 20.5%, a 6.9 percentage point decline from the previous fiscal year.
- Capital expenditures for Vodafone K.K. reached 239.8 billion yen for the fiscal year on a fixed asset addition basis, an increase of 65.5 billion yen compared to the same period last year. On a cash flow basis, expenditures were 188.9 billion yen. By the end of March 2006, 3G network population coverage reached 99.9%, compared to 99.8% one year ago, as global economies of scale with the Vodafone Group were maximized to expand coverage in outdoor, indoor and underground service areas. During the period, Vodafone K.K. focused on improving coverage and network quality in areas where customers work and live.
- Vodafone K.K. continued to offer innovative products and services.
 - 3G services were further enhanced. In August, Chaku-Uta Full² was offered to enable customers to download full-length music tracks, and Vodafone live! NAVI, the world's first network-assisted mobile GPS navigation service with coverage in Japan and abroad, was introduced in October. Vodafone live! FeliCa³ was introduced in November to give handsets mobile wallet capability. In March, three new services were introduced: Vodafone live! CAST, which automatically delivers mobile magazines to handsets overnight, Vodafone Address Book, which backs up handset address book data to a dedicated network server, and Deru Moji 3D Pictogram Display, which shows pop-up 3D animations in received mails.
 - 11 new 3G handsets were introduced in the fiscal year. The 703SH and 903SH by Sharp, were introduced in August as handsets supporting Chaku-Uta Full². The 903T by Toshiba debuted in October as a Vodafone live! NAVI handset, and the 703SHf by Sharp was released in November as a handset compatible with Vodafone live! FeliCa. The 702NK II (Nokia 6680) smartphone was offered in December as a Vodafone Office Mail compatible handset, and the Vodafone 904T was released in March supporting Vodafone live! CAST, Deru Moji 3D Pictogram Display, and Vodafone Address Book. The Vodafone 804SS, Samsung's first handset for the Japanese market, was introduced as the world's thinnest 3G handset⁴.

² Chaku-Uta Full² is a registered trademark of Sony Music Entertainment Inc.

³ FeliCa is the contactless IC card technology developed by Sony Corporation and a registered trademark of Sony Corporation.

⁴ Among clamshell 3G handsets at time of release (25 March 2006), according to Samsung Electronics.

- 8 PDC (2G) handsets were released over the fiscal year. The V501SH by Sharp and the V501T by Toshiba were offered as handsets with customizable designs in June and July respectively. The V604SH by Sharp was introduced in November as a handset with a 3.2 megapixel 2x optical zoom camera and a terrestrial analogue TV tuner, and the V502T by Toshiba was offered in January as an easy-to-use handset with large font displays.
- Four flat-rate initiatives were introduced in the fiscal year to offer customers better price clarity. Mail Flat-rate, a service that offers unlimited messaging, and Dual Packet Flat-rate, a two-tier system revision to the previous Packet Free offering, were introduced on 1 June to make Vodafone live! 3G services more convenient. Family Call Flat-rate, which allows unlimited voice calls to family members for a fixed monthly charge, and Love Flat-rate, an offering that enables unlimited voice calls and messaging to one designated Vodafone number, were introduced on 1 November.
- To offer customers greater convenience, Vodafone Connect Card price plans were revised on 1 August. Roaming capability was added in early September, making Vodafone Connect Card the first 3G data card in Japan that can be used abroad.
- Vodafone Mobile Office price plans and discount services for business customers were revised on 1 June and 1 November to make them more accessible to SOHO⁵ and corporate customers.
- Vodafone Office Mail, a push email service that lets customers remotely access company email, address books and schedule details in real-time, was offered in January as the first service of its kind in Japan.
- For roaming abroad, Vodafone K.K. had 200 roaming agreements in 142 countries and regions in place as of 31 March 2006, an expansion of 45 agreements and 26 countries and regions over the fiscal year.

Recent corporate actions

- In April 2006 SOFTBANK CORP. successfully completed tender offers for shares in Vodafone K.K. through its indirectly held wholly-owned subsidiary BB Mobile Corp., making Vodafone K.K. a member of the SOFTBANK Group. Accordingly, Vodafone K.K. will change its name to SOFTBANK MOBILE Corp. on 1 October 2006. The brand will also migrate from Vodafone to SOFTBANK, and the corporate logo will shift entirely to the design used by SOFTBANK Group companies.

(Financial summary attached)

⁵ Abbreviation for Small Office/Home Office.

Condensed Consolidated Statements of Income⁶

For fiscal years ended 31 March 2006 and 2005

<i>¥ millions</i>	Fiscal 2005	Fiscal 2004
Operating revenue	1,467,578	1,470,013
Operating costs and expenses	1,391,273	1,311,987
Operating income	76,305	158,026
Non-operating revenue	2,061	1,977
Non-operating expenses	4,013	6,636
Ordinary income	74,353	153,367
Extraordinary gains	19,976	5,382
Extraordinary losses	78	25,466
Profit (loss) before income taxes	94,251	133,284
Net income	49,492	162,017
EBITDA	300,863	403,059
EBITDA margin (%)	20.5%	27.4%

<i>¥ millions</i>	As of 31 March 2006	As of 31 March 2005
Assets		
Fixed assets	1,047,425	1,060,414
Current assets	308,382	303,978
Total assets	1,355,807	1,364,393
Liabilities		
Fixed liabilities	143,969	171,343
Current liabilities	454,085	482,734
Total liabilities	598,054	654,078
Shareholders' equity	757,753	710,314
Total liabilities and shareholders' equity	1,355,807	1,364,393

⁶ Figures in the tables are rounded down.

For further information contact:

SOFTBANK CORP. Investor Relations 03 6889 2290
Vodafone K.K. Public Relations 03 6889 6222

About Vodafone K.K.

Vodafone K.K. (President & CEO: Masayoshi Son), to be renamed SOFTBANK MOBILE Corp. on 1 October 2006, is a leading mobile operator in Japan with over 15 million customers and a member of the SOFTBANK Group. The Tokyo-based company offers a wide range of sophisticated mobile voice and data services, including Vodafone live!, and launched the mobile industry's first picture messaging service (Sha-mail) in November 2000. Vodafone K.K.'s 3G service offers Japan's largest roaming footprint with coverage in 144 countries and regions. Vodafone K.K. is now working in close cooperation with other SOFTBANK Group companies to accelerate the pace of the IT revolution. For more information, please visit www.vodafone.jp/english/

*Above data is current as of 30 April 2006.

- Office Mail, Vodafone Connect Card, and Sha-mail are registered trademarks or trademarks of Vodafone K.K.
- Vodafone, Vodafone live!, Vodafone Mobile Office are registered trademarks or trademarks of Vodafone Group Plc.
- SOFTBANK and the SOFTBANK name are registered trademarks or trademarks of SOFTBANK Corp. in Japan and other countries.

Forward-Looking Statements

This press release contains certain forward-looking statements concerning the operations and strategy of Vodafone K.K. and its subsidiaries (collectively, "Vodafone Japan Group") and its expectations concerning its financial and operating results; such as expectations for trends in the Japanese fixed-line and wireless telecommunications markets and capital expenditure. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: changes in economic conditions that would adversely affect demand for Vodafone Japan Group's services; greater than anticipated competitive activity; slower customer growth or reduced customer retention; the impact on capital spending from investment in network capacity and the deployment of new technologies, including 3G technology; the possibility that technologies will not perform according to expectations or that vendors' performances will not meet Vodafone Japan Group's requirements; changes in projected growth rates in the wireless telecommunications industry; the accuracy of and any changes in Vodafone Japan Group's projected revenue models; future revenue contributions of data services offered by Vodafone Japan Group; Vodafone Japan Group's ability to successfully introduce new services, in particular 3G services, and the delivery and performance of key products; changes in the regulatory framework in which Vodafone Japan Group operates; and the impact of legal or other proceedings involving Vodafone Japan Group or other companies in the telecommunications industry.

All written or verbal forward-looking statements attributable to Vodafone Japan Group or persons acting on its behalf made in this press release or subsequent hereto are expressly qualified in their entirety by the factors referred to above.