

16 February 2006

## Vodafone K.K. to increase Happy Bonus discount rate

*Discount rate increased from third year, up to 50% average annual savings on basic charges*

Vodafone K.K. today announces a revision to its Happy Bonus discount service on 1 March 2006\*<sup>1</sup>. The revision will progressively increase the discount rate for basic monthly charges starting from the third contract year of Happy Bonus usage.

Happy Bonus is a two-year contract\*<sup>2</sup> discount service that offers 15% off on basic monthly charges upon the month of entry\*<sup>3</sup>, and two months of free basic monthly charges every ten months\*<sup>4</sup>.

The current basic monthly charge discount rate is constant at 15%, regardless of the length of Happy Bonus contract usage. This new revision will allow customers to benefit from a step increase in discount rates from 17% to 40% for basic monthly charges during their third to eleventh contract year of Happy Bonus usage. An annual average discount of up to 50% can be enjoyed by combining the maximum discount rate of 40% from the eleventh year and free months of basic monthly charges, whilst sub-lines signed to Family Discount can benefit from an annual average discount of up to 75% (50% off for free communication allowances with sub-lines).

Together with this revision to Happy Bonus, Vodafone K.K. will launch a promotional campaign\*<sup>5</sup> that offers a free basic monthly charge during the second billing month after Happy Bonus is in effect.

For more information on the Happy Bonus revision and promotional campaign, please see the attached appendices.

\*1 Current Happy Bonus customers will have the revised discount rates applied from the March 2006 billing month. Please refer to Appendix 1 for more detail on dates of application.

\*2 An application is required to enter Happy Bonus. The service is automatically renewed every 2 years unless otherwise notified by the customer. If Vodafone K.K. service is discontinued or Happy Bonus is cancelled at any time other than the renewal month (25<sup>th</sup> month, for example), **a 10,000 yen (10,500 yen including tax) cancellation fee** will be assessed regardless of the length of the contract.

\*3 Happy Bonus is applicable from the following billing month if changing from a non-applicable to applicable price plan while signing up, or when current Yearly Discount or Priority Support customers sign up. Furthermore, customers switching from Yearly Discount to Happy Bonus have Happy Bonus in effect in the following billing month as the first contract month.

\*4 For the first year, 2 months of free basic monthly charges apply after the 13<sup>th</sup> month of Happy Bonus contract usage.

\*5 Date of application differs according to way of entering Happy Bonus and bill closing days. Please refer to Appendix 2 for more detail.

- ends -

- Vodafone, Vodafone Mobile Office and the speech mark symbol are registered trademarks or trademarks of Vodafone Group Plc.

### **About Vodafone K.K.**

Vodafone K.K. is a leading mobile operator in Japan with over 15 million customers and a subsidiary of Vodafone Group Plc, the world's largest mobile community. The Tokyo-based company offers a wide range of sophisticated mobile voice and data services including Vodafone live!, which provides mail and internet access to 85% of its customers, and pioneered the picture messaging service called Sha-mail first introduced in November 2000. In December 2002, Vodafone K.K. launched the world's first commercial 3G W-CDMA service based on 3GPP international standards. Vodafone K.K.'s 3G service offers its customers rich content and roaming in 137 countries and regions on 188 networks. For more information, please visit [www.vodafone.jp](http://www.vodafone.jp) \*Above data is current as of 31 January 2006.

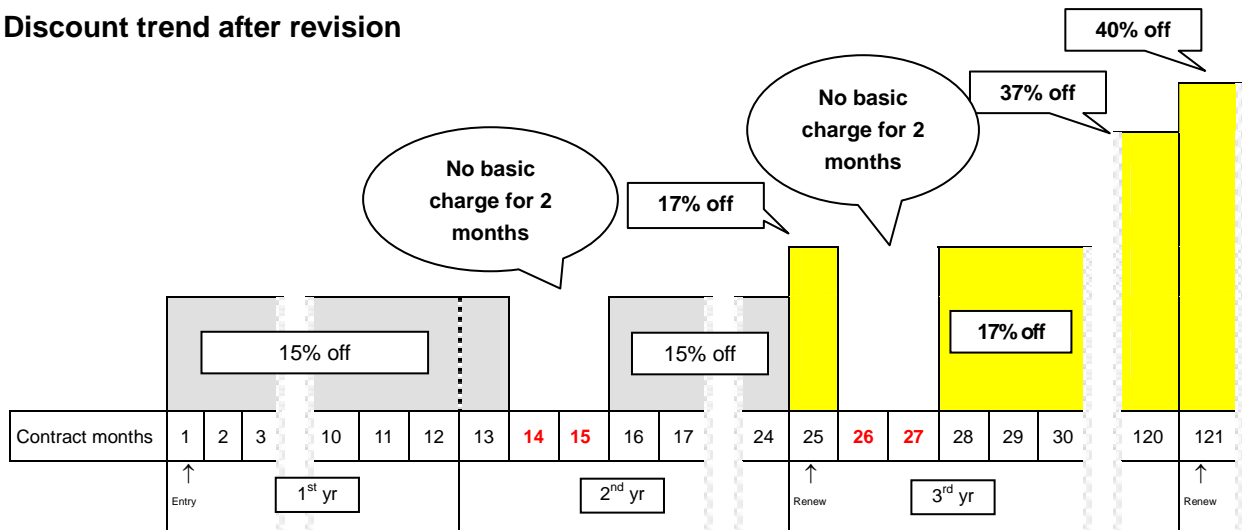
1. Overview

Happy Bonus is a two-year contract\*\*1 discount service that offers 15% off on basic monthly charges upon the month of entry\*\*2, and a step increase discount rates from 17% to 40% during the third to eleventh contract years of Happy Bonus usage. Happy Bonus also offers two months of free basic monthly charges every ten months\*\*3.

Discount rate after revision

Contract year**4	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th -
Discount rate	15%	15%	17%	19%	22%	25%	28%	31%	34%	37%	40%
Avg. discount rate**5	15%	29.1%	30.8%	32.5%	35.0%	37.5%	40.0%	42.5%	45.0%	47.5%	50.0%

Discount trend after revision



\*1 An application is required to use Happy Bonus. The service is automatically renewed every 2 years unless otherwise notified by the customer. If Vodafone K.K. service is discontinued or Happy Bonus is cancelled at any time other than the renewal month (25th month, for example), **a 10,000 yen (10,500 yen including tax) cancellation fee** will be assessed, regardless of the length of the contract.

\*2 Happy Bonus is applicable from the following billing month if changing from a non-applicable to applicable price plan while signing up, or when current Yearly Discount or Priority Support customers sign up. Furthermore, customers switching from Yearly Discount to Happy Bonus have Happy Bonus in effect in the following billing month as the first contract month.

\*3 For the first year, 2 months of free basic monthly charges apply after the 13<sup>th</sup> month of Happy Bonus contract usage.

\*4 Number of contract years upon entering Happy Bonus.

\*5 Average yearly discount rate including discount on basic monthly charges and free months of basic monthly charges.

2. Applicable price plans

Value Pack Premier, Value Pack Platinum, Value Pack Gold, Value Pack Silver, Value Pack, Light Call Pack, Business Pack, Business Economy Pack, Vodafone Mobile Office

3. Applicable discount services

Family Discount, Mail Flat-rate or Dual Packet Flat-rate or Packet Economy or Happy Packet, Love Flat-rate or Family Call Flat-rate or Designated Number Discount, Corporate Discount on Multiple Lines, Volume Discount

4. Applicable handsets

All Vodafone K.K. handsets (excluding prepaid handsets)

5. Revision date

1 March 2006

Revision will be applied to current Happy Bonus customers from the March 2006 billing month. Dates differ according to bill closing dates. Revised discounts will be applied retroactively from 11 Feb 2006 for customers with bills closing on the 10<sup>th</sup> of every month, from 21 Feb 2006 for customers with bills closing on the 20<sup>th</sup> of every month, and from 1 Mar 2006 for customers with bills closing on the last day of every month.

## Happy Bonus Promotional Campaign

### 1. Campaign overview

Customers newly entering Happy Bonus during the promotional campaign will benefit from a free month\*<sup>1</sup> of basic monthly charges during the second billing month\*<sup>2</sup> after Happy Bonus is in effect.

### 2. Campaign duration

Applicability period differs according to way of joining Happy Bonus and bill closing date.

Way of entering	Bill closing date	Applicability period (day of entry)
<ul style="list-style-type: none"> <li>● When signing new contract</li> <li>● When changing contracts*<sup>3</sup></li> <li>● Newly entering Happy Bonus*<sup>4</sup></li> </ul>	Every 10 <sup>th</sup> day	11 February – 10 July 2006
	Every 20 <sup>th</sup> day	21 February – 20 July 2006
	Last day of month	1 February – 30 June 2006
<ul style="list-style-type: none"> <li>● When switching from Yearly Discount, etc.</li> <li>● When switching from Priority Support</li> <li>● When changing from non-applicable to applicable price plan*<sup>5</sup></li> </ul>	Every 10 <sup>th</sup> day	11 January – 10 June 2006
	Every 20 <sup>th</sup> day	21 January – 20 June 2006
	Last day of month	1 January – 31 May 2006

\*1 Free basic monthly charge start date differs according to date and way of entering Happy Bonus, and bill closing date. For example, a customer who signs a new contract and enters Happy Bonus on 11 February 2006 and has every 10<sup>th</sup> day as the bill closing date will have a free month of basic charges for the 11 March to 10 April 2006 period.

\*2 In cases where Family Discount, Corporate Discount on Multiple Lines or Volume Discount or lump sum billing has been applied for with several/current contract lines which have differing bill closing dates, the bill closing dates for some of the lines will be changed due to the combination and billed on a per-day rate in the billing month when the bill closing dates change.

\*3 When changing from 2G to 3G handsets (or 3G to 2G handsets).

\*4 Excluding customers with non-applicable price plans, and customers with Priority Support and Yearly Discount, etc.

\*5 Value Pack Premier, Value Pack Platinum, Value Pack Gold, Value Pack Silver, Value Pack, Light Call Pack, Business Pack, Business Economy Pack, Vodafone Mobile Office