Consolidated Financial Results for the year ended March 31, 2005

May 24, 2005

Company name: Vodafone K.K.

Code number: 9434
(URL http://www.vodafone.jp)
Representative: William T. Morrow, Representative Executive Office
Person responsible for inquires: Seiichi Tateishi, Corporate Officer, Controlle
Date of approval of financial statements by the Board of Directors: May 24, 2005
Name of parent company: Vodafone Group Plc (Code number : -)

Stock exchange listings: TSE, OSE
Location of corporate headquarters: Tokyo
TEL (03) 6403 - 2986
Ratio of stock held by the parent company: 97.7%

1. Consolidated results for the year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)

(1) Consolidated operating results (Japanese yen figures less than a million yen are rounded down to the nearest million yen.)

	Operating revenue		Operating income		Ordinary income	
Year ended:	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2005	1,470,013	(11.2)	158,026	(14.6)	153,367	(15.4)
March 31, 2004	1,655,651	(7.9)	185,045	(32.9)	181,208	(33.3)

	Net income (loss)		Earnings (loss) per share	Diluted earnings (loss) per share	Return on shareholders' equity ratio	Ordinary income to total shareholders' equity ratio	Ordinary income to operating revenue ratio
Year ended:	Millions of Yen	%	Yen	Yen	%	%	%
March 31, 2005	162,017	-	38,341.32	-	30.2	11.0	10.4
March 31, 2004	(100,042)	-	(31,310.11)	-	(24.2)	11.1	10.9

Notes:
1. Equity in earnings of affiliated companies under the equity method was ¥0 million for the years ended March 31, 2005 and 2004
2. The weighted average number of shares for the years ended March 31, 2005 and 2004 were 4,225,675 shares and 3,195,210 shares, respectively.
3. There was no change in accounting policies during the year ended March 31, 2005
4. The percentages for operating revenue, operating income, ordinary income, and net income (loss) represent the increase or decrease over the previous year.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity to total assets ratio	Shareholders' equity per share
Year ended:	Millions of Yen	Millions of Yen	%	Yen
March 31, 2005	1,364,393	710,314	52.1	130,863.75
March 31, 2004	1,428,167	361,539	25.3	113,150.56

Notes:
The number of shares outstanding at March 31, 2005 and 2004 were 5,427,896 shares and 3,195,208 shares, respectively.

(3) Consolidated cash flows information

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
Year ended:	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2005	398,939	(132,351)	(266,722)	637
March 31, 2004	262,130	(44,810)	(223,686)	770

(4) Scope of consolidation and application of the equity method of accounting
Number of consolidated subsidiaries: 2
Number of non-consolidated subsidiaries accounted for under the equity method: 0
Number of affiliated companies accounted for under the equity method: 0

(5) Changes in the scope of consolidation and the equity method of accounting
Consolidated subsidiaries: increase - 0 and decrease - 1
Affiliated companies accounted for under the equity method: increase - 0 and decrease - 0

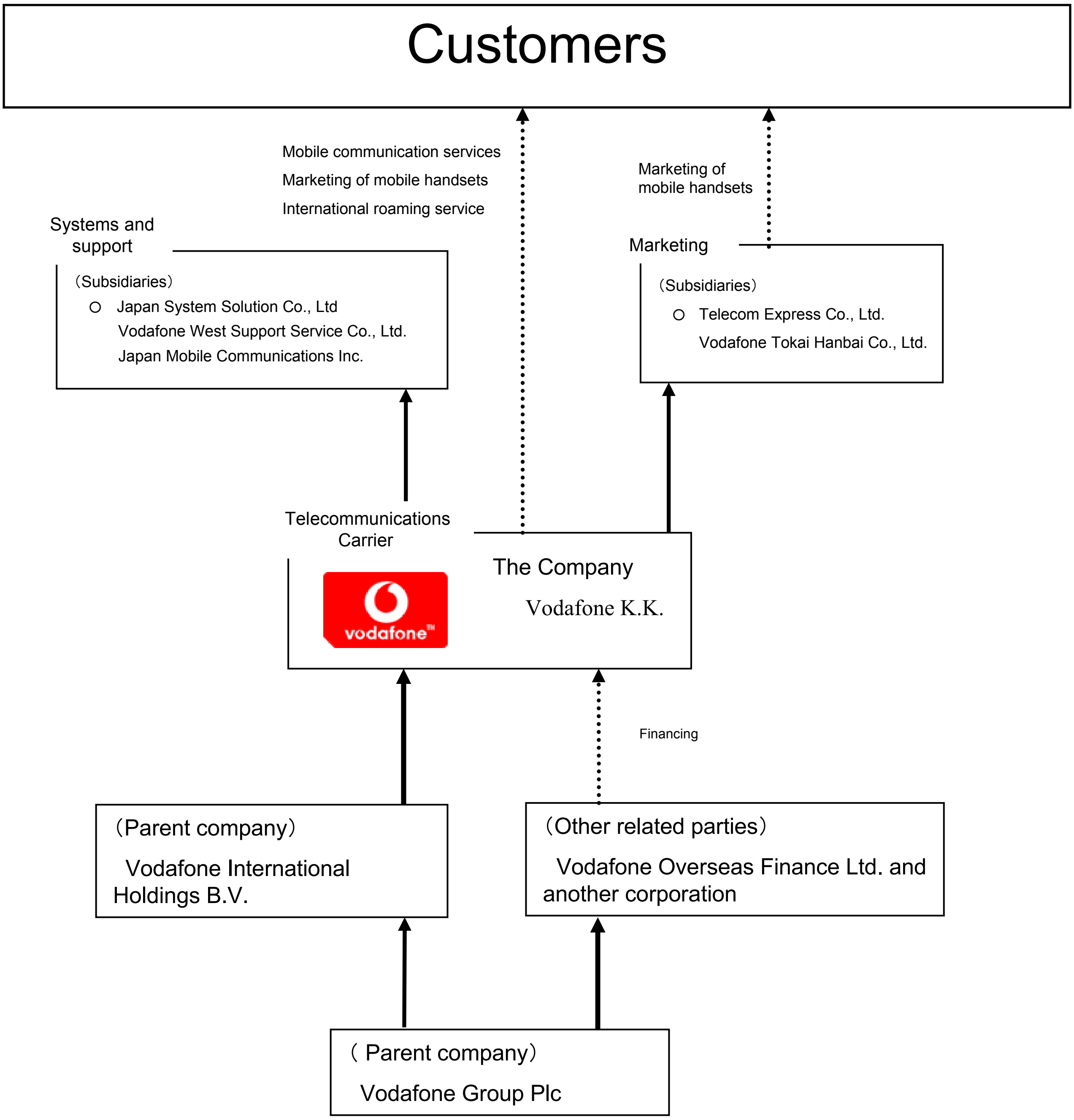
2. Forecast of consolidated operating results for the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006)

	Operating revenue	Ordinary income	Net income
	Millions of Yen	Millions of Yen	Millions of Yen
Half year ending September 30, 2005	—	—	—
Year ending March 31, 2006	—	—	—

Reference: The forecast earnings per share for the year ending March 31, 2006 is－yen.

1. Business Overview and Organisation

The Group engages in the provision of mobile communication services and the associated sale of handsets and other related goods.
As of 31 March 2005, the Group had 5 subsidiaries, including 2 consolidated subsidiaries. It had no affiliates accounted for by the equity method.
The following diagram summarises the organisation and businesses of the Group as of 31 March, 2005.



Notes: - All data is as of 31 March, 2005.
- ○ symbol denotes a consolidated subsidiary.

2. Management Policies and Corporate Strategy

(1) Overall Management Policies and Mid- to Long-term Corporate Strategy

The Company provides mobile communication services as the Japan subsidiary of leading global operator Vodafone Group Plc, which aims to serve the communities and people around the world by enhancing their lives through mobile communications.

Vodafone International Holdings B.V., a wholly owned subsidiary of Vodafone Group Plc, conducted public and private tender offers for the shares in the Company and the former Vodafone K.K. during June and July 2004 and, on 1 October 2004, the Company merged with the former Vodafone K.K. and changed its company name to Vodafone K.K. This has resulted in Vodafone Group owning an interest of approximately 97.7% in the new Vodafone K.K., the merged entity.

Since the holdings of the top ten shareholders including the shares owned by the Vodafone Group exceeded 90% of all listed shares as of 31 March 2005, TSE and OSE assigned Vodafone K.K. shares to the “post for stocks under special supervision” on 13 May 2005 in accordance with their rules. This indicates that the company’s shares are expected be delisted this fiscal year, approximately one month after publication of its annual securities report (“Yuka Shoken Hokokusho”).

As a part of the Vodafone Group, the Company and its affiliates aim to capitalise on the resources of the Vodafone Group, including its global network, purchasing power and mobile business expertise gained from operations around the world, and offer products and services that give higher value and greater satisfaction to customers.

(2) Issues and Challenges Facing the Company

With the migration to 3G mobile services continuing at an accelerated pace in the mobile communications industry, the competition between carriers will likely intensify in such areas as release of new services, development of attractive mobile handsets, enrichment of content and customer acquisition and retention ahead of the planned introduction of mobile number portability (MNP).

In this environment, the Company at present finds itself at a relative disadvantage to its peers in the service area coverage and handset product offerings. Returning to the very basic corporate principle of “Customer First”, the Company strives to enhance its services and take other measures in order to win customer support.

3G mobile handsets that the Company introduced in December 2004 incorporated many global functions, which resulted in operability and design not precisely matching the needs and tastes of the Japanese market. With this lesson in mind, the Company will focus its future product development efforts on meeting the needs of Japanese customers and aims to offer a wide range of mobile handsets from entry-level to high-end models. Heeding to the voices of customers, the Company will also release new models in PDC product lines, as well as continue to enhance 3G service offerings.

At the same time, Vodafone K.K. will be taking necessary steps to promptly improve 3G network coverage and communication quality in additional areas, including underground areas and large buildings.

Additionally, the Company aims to further develop relationships of mutual trust with its business partners and establish a base on which services that cater to the needs and wants of end customers can be delivered in a timely fashion.

Within the Company, various functions will be reviewed and rearranged to form an organization that focuses primarily on serving customers and building a platform on which to offer innovative products and services.

In preparation for the introduction of MNP expected in late 2006, the Company has set the fiscal year of 2005 as a turnaround year and aspires to win strong customer support through implementing measures that combine and leverage the strengths of the Vodafone Group by next spring when a preliminary MNP contest is set to begin.

Vodafone K.K. continues to be committed to steady business expansion and, at the same time, strives to ensure profitability through improving operating efficiencies and realising additional cost reductions by way of adding customers, lower churn rates and stabilized ARPU. The combination of the two should lead to the further strengthening of its business foundation.

(3) Performance Target

The Company focuses on customer satisfaction and mid to long-term stable profitability as principal performance targets.

(4) Policy Concerning Profit Distribution

The Company operates a business that centers on serving the public with telecommunications and places emphasis on the long-term stability of management, and, with due considerations to the earnings trend, aims to maintain stable dividends and return profits of the Company to its shareholders according to the earnings level and financial stability of the Company. It may, however, choose to put more emphasis on retaining earnings in order to achieve a fast recovery of competitiveness amid intensifying adversity in the future.

(5) Policy Concerning Corporate Governance and Implementation of its Measures

The Company has been undertaking various managerial and organizational reforms in relation to corporate governance. In December 2001, The Company adopted an executive officer system in order to speed up decision making and strengthen execution capabilities. It concurrently shortened the tenure of its directors to one year. In June 2002, the compensation and human resources committee, a non-mandatory organization, was established to achieve higher transparency. Striving to further improve its corporate governance framework, in June 2003, the Company replaced the former auditor structure with an executive committee structure, as provided in the revised Commercial Code that became effective in April of that year. This has enabled the separation of responsibilities for managerial execution and supervision and the Company aims to expedite execution in its operation while ensuring effective oversight.

(6) Relationships with Parent Companies

1) Names of the Parent Companies

Parent Company	Affiliation	Voting Ownership(%)	Listing Stock Exchange(s) of the Parent Company
Vodafone Group Plc	Parent Company	97.7 (90.6)	London Stock Exchange New York Stock Exchange
Vodafone International Holdings B.V.	Parent Company	90.6	n.a.

Notes: The number in a parenthesis in the voting ownership column represents indirect ownership out of the combined voting ownership stake of the parent company.

: Vodafone International Holdings B.V. is a subsidiary of Vodafone Group Plc.

2) The Parent company that is considered to have the most substantial influence over the Company and reasons

Vodafone Group Plc is considered to have the most substantial influence over the Company.

Vodafone Group Plc holds 97.7% of the voting rights of the Company.

3) The Position of the Company within the Global Group Controlled by the Parent Companies and Other Affiliations of the Company with the Global Group

The global group operates its businesses based on merits such as cost advantages by leveraging joint procurement of communication equipment, expertise gained from operations in other parts of the world, a universal, effective management method based on key performance indicators (KPI), as well as by leveraging the brand equity of its global network.

The Company aims to capitalise on the Vodafone brand, which is known for its global reach and dependability, and economies of scale and best practice expertise to serve the community by enhancing communications among individual and corporate customers.

As of 31 March, 2005, a director of the Parent Company assumed the directorship of the Company.

4) Transactions with the Parent Companies

The Company has no substantial transactional relationships with the Parent Companies.

3. Operating and Financial Review and Prospects

(1) Operating and Financial Review - The Fiscal Year ended 31 March, 2005

I. Review of Business Conditions and Operations

Consolidated financial results of the Group for the fiscal year ended 31 March 2005, are summarized as follows.

A significant year-on-year decrease in operating revenue and ordinary income of the Group on a consolidated basis was due to the closing of sale of its interest in the fixed-line communications subsidiary (“Japan Telecom”) in November 2003 and the consequent deconsolidation of the subsidiary and five other companies effective 1 October 2003.

Financial Highlights (millions of yen, except as noted otherwise)

	Fiscal year 2004, ended 31 March 2005	Fiscal year 2003, ended 31 March 2004	Change(%)
Operating Revenue	1,470,013	1,655,651	(11.2)
Ordinary Income	153,367	181,208	(15.4)
Net income (loss)	162,017	(100,042)	-
Full year earnings per share (yen)	38,341.32	(31,310.11)	-
EBITDA margin (%)	27.4	27.8	(0.4PP)

Consolidated Operating Revenue

On a consolidated basis, operating revenue decreased 11.2%, compared with the previous year, to ¥1,470,013 million. Operating revenue in the mobile communications segment declined 2.6% on a year-to-year basis due to a slowdown in net subscriber additions and lower ARPU.

Consolidated Costs and Expenses

Consolidated operating costs and expenses in the fiscal year just ended decreased 10.8% to ¥1,311,987 million compared with the previous year. Operating expenses in the mobile communications segment declined 1.0% on a year-to-year basis due to higher retention cost and increased depreciation from continued investment in 3G, offset by lower acquisition costs, inventory improvement and overhead management.

Consolidated Earnings and Losses

As a consequence of the above, consolidated ordinary income for the fiscal year ended 31 March 2005, decreased by ¥27,840 million to ¥153,367 million.

Meanwhile, consolidated EBITDA margin stood at 27.4%, a decrease of 0.4 percentage points from the previous fiscal year.

Full year consolidated net income for the fiscal year ended 31 March 2005, was ¥162,017 million, after the effects of items including expenses associated with a voluntary retirement programme of ¥5,123 million, losses on modification of system development of ¥20,010 million and deferred tax credit of ¥89,868 million.

The Company has resolved to pay ¥1,200 per share as total annual dividends for the fiscal year ended 31 March, 2005, including an interim dividend of ¥600 already paid on 10 December, 2004. The year-end dividend will be payable on 30 June 2005.

Consolidated Capital Expenditures

Consolidated capital expenditures in the fiscal year just ended totaled ¥166,790 million, which were concentrated on the 3G network infrastructure build out.

II. Review of Financial Developments and Conditions

i. Statement of Cash Flows

(millions of yen)

	Fiscal year 2004, ended 31 March 2005	Fiscal year 2003, ended 31 March 2004	Change
Cash flows from operating activities	398,939	262,130	136,809
Cash flows from investing activities	(132,351)	(44,810)	(87,540)
Cash flows from financing activities	(266,722)	(223,686)	(43,036)
Effect of exchange rate changes on cash and cash equivalents	-	(0)	0
Net decrease in cash and cash equivalents	(133)	(6,366)	6,233
Cash and cash equivalents, end of the six-month period	637	770	(133)
Bonds and borrowings, end of the six-month period	371,521	632,932	(261,410)

Cash and cash equivalents at the end of the fiscal year decreased by ¥133 million from the same time in the previous year to ¥637 million.

a. Cash flows from operating activities

An increase in income before income taxes and a decrease in income taxes paid offsetting a significant decrease in losses on sale of investments in affiliates, cash flows from operating activities increased by ¥136,809 million from the previous year, to ¥398,939 million.

b. Cash flows from investing activities

Cash flows used for investing activities increased by ¥87,540 million from the previous year, to ¥132,351 million, due to capital expenditures for fixed assets, which exceeded increase in proceeds from sales of investment in subsidiaries.

c. Cash flows from financing activities

Cash flows used for financing activities increased to ¥266,722 million, as short-term borrowings were repaid by cash flows from operating activities.

ii. Cash Flow Key Measures

	Fiscal year 2004, ended 31 March 2005	Fiscal year 2003, ended 31 March 2004
Shareholder equity ratio	52.1%	25.3%
Shareholder equity ratio based on market value	100.3%	51.3%
Number of years to debt redemption	0.9	2.4
Interest coverage ratio	46.6	27.9

Notes: Shareholder equity ratio = shareholder equity / total assets
Shareholder equity ratio based on market value = market capitalization / total assets
Number of years to debt redemption = interest bearing debt / cash flows from operating activities
Interest coverage ratio = cash flows from operating activities / interest payment

III. Segment Information

Consolidated Operating Revenue (millions of yen, except as noted otherwise)

	Fiscal year 2004, ended 31 March, 2005	Fiscal year 2003, ended 31 March, 2004	Change (%)
Mobile communications	1,470,013	1,508,821	(2.6)
Fixed-line communications	-	175,056	-
Elimination	-	(28,226)	-
Consolidated operating revenue	1,470,013	1,655,651	(11.2)

Japan's mobile phone subscriber base excluding PHS users continued to show gradual growth in the period to 87 million with a net addition of 5.13 million subscribers in the twelve months ended 31 March, 2005.

Mobile communications operators accelerated the migration to 3G mobile services. Competition between carriers has continued to be intense with a series of handset launches with innovative functions and a string of new services, all in an effort to satisfy the diverse needs of customers and gain their support and patronage.

In this environment, Vodafone K.K. registered a net addition of 89,000 subscribers in the twelve-month period just ended, which resulted in 15.04 million total subscribers and a 1.7% market share of net additions. During the year, a net subscriber addition in 3G handsets increased by 0.78 million from the previous year to 0.92 million. The installed base of PDC handsets compatible with Movie Sha-mail video clip messaging service increased by 1.19 million to over 4.20 million while the installed base of PDC Sha-mail picture messaging service-compatible handsets decreased by 0.12 million to 11.74 million.

Notable developments in the period just ended were as follows.

- Vodafone K.K. continued to introduce innovative handsets and services.
  - Following the release of the V801SH 3G handset by Sharp in April 2004, a new Vodafone live! 3G service and platform based on WAP 2.0/MMS was launched in December 2004 with seven 3G handsets rolled out from December 2004 to February 2005, which consisted of the Vodafone 702NK by Nokia, 702MO and 702sMO by Motorola, 802SE by Sony

Ericsson, 902SH and 802SH by Sharp, and 802N by NEC.

- A total of twelve PDC handsets were offered in the fiscal year, with four of them featuring analogue TV tuners and three launched as part of a new handset design development initiative. Other innovations on PDC handsets included the world's first optical zoom camera, and a five-axis motion control sensor.
- An expanded portfolio of products and services for corporate customers was introduced. These included the VC701SI Vodafone Connect Card by SII in April 2004 for internet access on PCs with download speeds of up to 384kbps, Vodafone Mobile Office in July 2004 for enabling workers to use 3G handsets as office desk phone replacements, and a camera-less version of the V301D by Mitsubishi Electric in August 2004 to meet the needs of corporate customers who work in environments where camera phones are restricted for security reasons.
- With the new 3G launch, Vodafone K.K. began delivering enhanced Vodafone live! content, including long version Chaku-Uta®[1] ringsongs, digital comics, advanced games, and the Vodafone live! BB service which lets 3G customers enjoy high-quality video content by transferring large files downloaded over the PC internet to their handsets. The new 3G mail platform also features increased capacity for sending and receiving rich picture and video messages.
- A flat rate for packet communications was introduced in November 2004 to allow customers to enjoy 3G Vodafone live! services with better price clarity and certainty. The service will be changed to a two-tier system on 1 June 2005, making it accessible to even more customers, including light users of data services.
- Building on its heritage as a pioneer in messaging services, Vodafone K.K. introduced in February 2005 free mail exchanges to customers signed up to Family Discount and Designated Number Discount services. To further meet the needs of frequent mailers, a mail flat-rate will be introduced on 1 June 2005 for 3G customers.
- By the end of March 2005, 3G network population coverage reached 99.8%, compared to 99.5% one year ago, as further expansions were made to outdoor, indoor and underground service areas while effectively leveraging the Group's global economies of scale for joint equipment purchasing.
- For roaming abroad, Vodafone K.K. had 155 roaming agreements in 116 countries and regions in place as of 31 March 2005, an expansion of 33 agreements in 31 countries and regions over the year.

[1] Chaku-Uta® is a registered trademark of Sony Music Entertainment (Japan) Inc.

(2) Risks Surrounding the Business of the Group

I. Business Environment

Competition among mobile communications operators is expected to further intensify with the penetration rate well exceeding 60% and the migration to 3G mobile services further accelerating. Customer retention becomes more important relative to new subscriber acquisition as the penetration rate rises. Intensified competition may result in increases in the churn rate and associated costs for retaining customers. Increases in the churn rate, in turn, may lead to declines in telecommunication traffic and cause deterioration in the profitability of the Group. Rigorous competition may also result in price reduction of tariffs and/or increases in handset incentives, which could have an adverse impact on the operating performance of the Group. New entrants could aggravate the competitive situation.

Technology in mobile communications is constantly advancing and the Group is required to meet its customers' demands for handset functionalities and network quality. This may entail business risks due to shortage, faults or delays in introduction or delivery of handsets, network equipment and related components, software and system maintenance. Additionally, belated launches of new handsets or services may cause shortfalls in sales relative to prior expectations, which could potentially have an adverse impact on the operating performance of the Group.

The Group relies on a number of specific suppliers for handsets, network components including base stations and other equipment, which combinedly form a critical platform for mobile communications. In case such suppliers should exit the current business, the Group may face risks of delays in procurement or increases in capital expenditures.

II. Legal Regulations

Mobile communications business that the Group is engaged in is under various restrictions based on the Telecommunications Business Law including prohibition of censorship and protection of privacy. The revision in the Law and resulting changes in regulations, therefore, may affect the operating performance of the Group.

In order to address concerns that prepaid handsets are abused for criminal purposes due to their anonymity, a law requiring personal identification was partially enforced in May 2005. Such enforcement may potentially affect the operating performance of the Group.

The Group has access to personal information of its customers and, in association with the full enforcement of "Personal Information Protection Law" as of April 2005, may also experience a significant adverse impact on its business performance in case a leak of personal information should occur.

Concerns regarding health hazards of microwaves emitted from handsets and base stations have been raised by some parties. While the Global Group believes that there have been no evidences of such hazards, in case such evidence should be presented, the Group, due to its specialization in mobile communications business, may experience a disproportionately large impact in its operating performance compared to other telecommunications carriers, including increases in customer acquisition and retention costs and declines in the usage of mobile handsets by its customers.

Consolidated Financial Statements

(1) Consolidated Comparative Balance Sheets

(Millions of Yen)

Account	March 31 2004	March 31 2005	Increase / (Decrease)
(Assets)			
Fixed Assets	*1,130,494*	*1,060,414*	*(70,079)*
Fixed Assets for			
Telecommunication Services	*1,049,450*	*958,956*	*(90,493)*
Tangible fixed assets	*843,219*	*786,338*	*(56,880)*
Machinery and equipment	534,867	474,044	(60,822)
Air cable facilities	200,305	200,407	102
Terminal	4	0	(4)
Local line facilities	1,530	1,700	169
Long-distance line facilities	2,800	3,376	576
Civil construction facilities	2,651	2,636	(15)
Buildings and structures	40,527	39,327	(1,200)
Other machinery and vehicles	211	186	(24)
Tools, furniture and fixtures	26,462	21,573	(4,889)
Land	8,235	8,263	27
Construction in progress	25,622	34,822	9,199
Intangible fixed assets	*206,231*	*172,618*	*(33,612)*
Facility/utility rights	5,205	4,457	(748)
Software	172,587	157,838	(14,749)
Goodwill	12,284	—	(12,284)
Others	16,153	10,322	(5,830)
Investments and Other assets	*81,043*	*101,458*	*20,414*
Investment securities	35,442	2,129	(33,312)
Investments in affiliates	584	584	—
Deferred tax assets	18,727	67,893	49,166
Others	26,290	30,850	4,560
Current Assets	*297,673*	*303,978*	*6,305*
Cash on hand and in bank	770	637	(133)
Accounts receivable-trade	152,264	167,879	15,614
Accounts receivable-other	80,099	31,938	(48,160)
Inventories	36,241	33,221	(3,019)
Deferred tax assets	27,226	67,955	40,729
Others	11,125	10,679	(445)
Allowance for doubtful accounts	(10,054)	(8,334)	1,719
Total Assets	*1,428,167*	*1,364,393*	*(63,774)*

(Millions of Yen)

Account	March 31, 2004	March 31, 2005	Increase / (Decrease)
(Liabilities)			
Long-term Liabilities	*216,940*	*171,343*	*(45,596)*
Bonds	175,000	125,000	(50,000)
Long-term borrowings	8,000	8,000	—
Liability for employees' retirement benefits	6,313	5,388	(925)
Retirement allowances for directors and executive officers	112	48	(64)
Provision for loyalty program	26,135	31,623	5,488
Others	1,378	1,282	(95)
Current Liabilities	*685,329*	*482,734*	*(202,594)*
Current portion of long-term bonds	—	50,000	50,000
Accounts payable-trade	58,688	47,199	(11,489)
Short-term borrowings	449,932	188,521	(261,410)
Accounts payable-other	118,885	159,231	40,346
Accrued expenses	2,251	1,405	(846)
Income taxes payable	30,732	1,989	(28,742)
Accrued bonuses to employees	4,917	4,284	(633)
Allowance for losses on guarantees	3,442	—	(3,442)
Others	16,479	30,102	13,623
Total Liabilities	*902,269*	*654,078*	*(248,190)*
Minority Interests	*164,359*	—	*(164,359)*
(Shareholders' Equity)			
Common Stock	*177,251*	*177,251*	—
Capital Surplus	*265,508*	*387,503*	*121,994*
Retained earnings(accumurated deficit)	*(81,196)*	*145,209*	*226,406*
Unrealized gain(loss) on available-for-sale securities	*(12)*	*367*	*380*
Treasury stock	*(10)*	*(16)*	*(6)*
Total Shareholders' Equity	*361,539*	*710,314*	*348,775*
Total Liabilities, Minority Interests, and Shareholders' Equity	*1,428,167*	*1,364,393*	*(63,774)*

(2) Consolidated Comparative Statements of Operations

(Millions of Yen)

Account	Year ended March 31, 2004	Year ended March 31, 2005	Increase / (Decrease)
Ordinary Income/Loss Section			
(Operating Income/Loss Section)			
Telecommunication Services			
Operating revenues	1,347,828	1,150,191	(197,636)
Operating costs and expenses	1,157,553	1,017,604	(139,948)
Operating Income on Telecommunication Services	*190,275*	*132,587*	*(57,688)*
Supplementary Services			
Operating revenues	307,822	319,821	11,999
Operating costs and expenses	313,053	294,382	(18,670)
Operating Income(Loss) on Supplementary Services	*(5,230)*	*25,439*	*30,670*
Total Operating Income	*185,045*	*158,026*	*(27,018)*
(Non-operating Income/Loss Section)			
Non-operating Income	*3,678*	*1,977*	*(1,701)*
Interest income	23	23	0
Dividends income	108	124	15
Foreign exchange gain	898	—	(898)
Rental income	511	508	(3)
Other income	2,137	1,320	(816)
Non-operating Expenses	*7,515*	*6,636*	*(879)*
Interest expenses	6,130	4,672	(1,458)
Foreign exchange loss	—	1,777	1,777
Other expenses	1,384	185	(1,199)
Ordinary Income	*181,208*	*153,367*	*(27,840)*
Special Gain/Loss Section			
Special Gain	*9,948*	*5,382*	*(4,566)*
Gain on sale of fixed assets	3,110	47	(3,063)
Gain on sale of investment securities	4,464	1,444	(3,020)
Gain on liquidation of affiliates	302	—	(302)
Gain on reversal of allowance for loss on guarantees	686	3,442	2,755
Gain on reversal of allowance for doubtful accounts	1,357	448	(908)
Others	27	—	(27)
Special Loss	*156,539*	*25,466*	*(131,073)*
Loss on sale of fixed assets	22	131	108
Loss on disposal of fixed assets	1,309	—	(1,309)
Write down of investment securities	1,157	16	(1,140)
Loss on sale of investment securities	1	28	26
Write down of investments in affiliates	77	—	(77)
Loss on sale of investments in affiliates	152,331	155	(152,176)
Additional benefits on early retirement program	—	5,123	5,123
Penalty for loan prepayment	1,379	—	(1,379)
Loss on modification of system development	—	20,010	20,010
Others	260	—	(260)
Income before Income Taxes, etc.	*34,617*	*133,284*	*98,667*
Income Taxes-Current	*90,160*	*34,983*	*(55,177)*
Reversal of income taxes payable	*(871)*	*(1,628)*	*(756)*
Income Taxes-Deferred	*(15,783)*	*(89,868)*	*74,084*
Minority Interests Income	*61,154*	*27,779*	*(33,374)*
Net Income(Loss)	*(100,042)*	*162,017*	*262,060*

(3) Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of Yen)

Account	Year ended March 31, 2004	Year ended March 31, 2005	Increase/ (Decrease)
(Capital Surplus Section)			
Ⅰ Capital surplus at beginning of year	265,508	265,508	—
Ⅱ Increase of capital surplus	—	232,390	232,390
Merger of a consolidated subsidiary	—	232,390	232,390
Ⅲ Decrease of capital surplus	—	110,395	110,395
Cash dividends	—	1,917	1,917
Transfer to retained earnings	—	108,478	108,478
Ⅵ Balance at end of year	265,508	387,503	121,994
(Retained Earnings Section)			
Ⅰ Retained earnings(accumurated deficit) at beginning of year	22,165	(81,196)	(103,361)
Ⅱ Increase of retained earnings	670	270,496	269,825
Decrease of a consolidated subsidiary	209	—	(209)
Merger of a consolidated subsidiary and a non-consolidated subsidiary	461	—	(461)
Transfer from capital surplus	—	108,478	108,478
Net income	—	162,017	162,017
Ⅲ Decrease of retained earnings	104,032	44,089	(59,942)
Cash dividends	3,834	1,917	(1,917)
Bonuses to directors and corporate auditors 〔including for corporate auditors〕	83 (20)	5 (—)	(78) ((20))
Decrease of a consolidated subsidiary	72	—	(72)
Merger of a consolidated subsidiary	—	42,167	42,167
Net loss	100,042	—	(100,042)
Ⅵ Balance at end of year	(81,196)	145,209	226,406

(4) Consolidated Comparative Statements of Cash Flows

(Millions of Yen)

Account	Year ended March 31, 2004	Year ended March 31, 2005	Increase / (Decrease)
I *Cash Flows from Operating activities*			
Income before income taxes, etc.	34,617	133,284	98,667
Depreciation and amortization	257,975	236,911	(21,063)
Increase(Decrease) in liability for retirement benefits	968	(925)	(1,893)
Amortization of consolidation goodwill	1,932	—	(1,932)
Interest expenses	6,130	4,672	(1,458)
Write down of investment securities	1,157	16	(1,140)
Gain on sale of investment securities	—	(1,444)	(1,444)
Write down of investments in affiliates	77	—	(77)
Loss on sale of investments in affiliates	152,331	155	(152,176)
Loss on disposal of fixed assets	11,602	19,373	7,771
Amortization of long-term prepaid expenses	3,493	4,038	545
Provision for loyalty program	1,636	5,488	3,851
Increase(Decrease) in accounts receivable-trade	7,212	(15,614)	(22,827)
(Decrease)Increase in accounts receivable-other	(36,863)	48,141	85,005
(Decrease)Increase in inventories	(27,018)	16,669	43,688
Decrease in accounts payable-trade	(2,146)	(11,489)	(9,342)
Increase in accounts payable-other	24,436	32,857	8,421
Decrease in accrued expenses	(4,496)	(630)	3,866
Others-net	(3,898)	(5,750)	(1,851)
(Subtotal)	*429,147*	*465,757*	*36,609*
Interest and dividends income-received	3,523	3,850	326
Interest expenses-paid	(9,403)	(8,569)	833
Income taxes-paid	(161,137)	(62,097)	99,040
Net Cash provided by Operating activities	*262,130*	*398,939*	*136,809*
Ⅱ *Cash Flows from Investing activities*			
Capital expenditures for fixed assets	(248,601)	(166,790)	81,810
Proceeds from sale of fixed assets	5,571	103	(5,468)
Proceeds from refunds of subsidiaries' common stock	232,289	—	(232,289)
Proceeds (Adjustments) from sale on investments in subsidiaries	(50,942)	—	50,942
Purchase of investment securities	(50)	—	50
Proceeds from sale of investment securities	16,044	34,534	18,490
Others-net	878	(198)	(1,076)
Net Cash used in Investing activities	*(44,810)*	*(132,351)*	*(87,540)*
Ⅲ *Cash Flows from Financing activities*			
Payment of redemption on bonds	(25,000)	—	25,000
Repayments of long-term borrowings	(70,152)	(4,066)	66,086
Net decrease in short-term borrowings	(123,206)	(257,344)	(134,138)
Payment of cash dividends	(3,833)	(3,834)	0
Payment of cash dividends to minority interests	(1,491)	(1,471)	20
Other-net	(1)	(6)	(4)
Net Cash used in Financing activities	*(223,686)*	*(266,722)*	*(43,036)*
Ⅳ *Effect of Exchange Rate Change on Cash and Cash Equivalents*	*△ 0*	—	*0*
Ⅴ *Net Decrease in Cash and Cash Equivalents*	*(6,366)*	*(133)*	*6,233*
Ⅵ *Cash and Cash Equivalents, Beginning of Year*	*8,114*	*770*	*(7,343)*
Ⅶ *Decrease in cash and cash equivalents due to decrease of consolidated subsidiaries*	*(1,051)*	—	*1,051*
Ⅷ *Decrease in cash and cash equivalents due to merger of consolidated and non-consolidated subsidiaries*	*75*	—	*(75)*
Ⅸ *Cash and Cash Equivalents at End of Year*	*770*	*637*	*(133)*

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 2
The Company and Vodafone K.K.(former name) were merged on October 1, 2004.

(2) Major consolidated subsidiaries: Telecom Express K.K.

(3) Number of non-consolidated subsidiaries: 3

(4) Major non-consolidated subsidiary: Vodafone Tokai Hanbai K.K.

Operation of each non-consolidated subsidiary is small in scale. The total assets, total operating revenue, total net income or loss (for the Company's interest), and consolidated retained earnings (for the Company's interest) do not have a significant impact on the consolidated financial statements as a whole. Therefore, these subsidiaries are not subject to consolidation.

2. Application of equity method

(1) Number of non-consolidated subsidiaries to which the equity method of accounting is applied: 0

(2) Affiliated companies to which the equity method of accounting is applied: 0

(3) Major non-consolidated subsidiaries and affiliated companies to which the equity method of accounting is not applied: Vodafone Tokai Hanbai K.K.

The reason of the equity method of accounting not applied:
Since the non-application of the equity method of accounting does not have a significant impact on the current net income or loss, or on the consolidated retained earnings and as these companies are insignificant as a whole, they are not accounted for by the equity method of accounting.

3. Significant accounting policies

(1) Depreciation policy of major depreciable assets

1. Tangible fixed assets
Depreciation of tangible fixed assets is computed under the straight-line method.
The estimated useful lives of the major fixed assets are as follows:
- Machinery and equipment: 2 to 15 years.
- Air cable facilities: 10 to 42 years.
- Buildings and structures: 3 to 50 years.
- Tools, furniture and fixtures: 2 to 15 years.

2. Intangible fixed assets
Intangible fixed assets are amortized under the straight-line method.
The estimated useful lives of the major intangible fixed assets are as follows:
- Software for internal use: 5 years
- Goodwill: 5 years

3. Long-term prepaid expenses
Long-term prepaid expenses are amortized under the straight-line method.

(2) Valuation methods of significant assets

1. Investment securities

Other than trading securities and held-to-maturity debt securities

- Securities with market value are carried at fair value based on the market price at the balance sheet date. Unrealized gains and losses are reported in a separate component of shareholders' equity. The cost of securities sold during the year is calculated by the moving-average method.
- Securities without market value are carried at cost using the moving-average method.

2. Inventories

- Handsets: at cost by the moving-average method
- Others: at cost by first-in first-out method

(3) Significant allowances and provisions

1. Allowance for doubtful accounts

Allowance for doubtful accounts is stated in amounts considered to be appropriate based on the companies' past credit loss experience and an evaluation of potential losses in the receivables outstanding.

2. Liability for employees' retirement benefits

Liability for employees' retirement benefits is established based on projected benefit obligations and plan assets at each balance sheet date. The actuarial gain or loss and prior service cost have fully charged to operations when incurred.

3. Retirement allowance for directors and executive officers

Retirement allowance for directors and executive officers is accrued based on the amount that would be required to be paid, in accordance with the Company's practices.

4. Accrued bonuses to employees

Accrued bonuses to employees are accrued based on the estimated liability incurred in the current period.

5. Provision for loyalty program

Provision for loyalty program is accrued based on the estimated future obligation arising from "Vodafone Mileage Service", based on past experience.

(4) Leases

Finance leases, other than those which are deemed to transfer the ownership of the leased assets to lessees, are accounted for using the method applicable to operating leases.

(5) Hedge accounting

1. Hedge accounting method

Gains or losses on derivatives for hedging purposes are principally deferred to maturity of the hedged transactions. Interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market values but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

2. Hedging instrument and hedged item

The Company enters into interest swap contracts to manage interest rate risk exposure on certain bonds and borrowings.

3. Company's policy for using derivatives

The execution and control of derivatives is performed by the Finance Department in accordance with internal policies and rules. It is the Company's policy to use derivatives only for the purpose of reducing market risk associated with assets and liabilities and, therefore, the Company does not enter into derivatives for trading or speculative purposes.

4. Assessment of hedge effectiveness

The Company assesses hedge effectiveness based on a semi-annual analysis of the cumulative amount of change in cash flows of hedged items and fluctuations in market price. Interest rate swaps which qualify for hedge accounting and meet specific matching criteria are excluded from the scope of this assessment.

(6) Other significant matters relating to the preparation of the consolidated financial statements

Consumption taxes etc. are excluded from the principal amount of related transactions and are stated separately as a component of current assets or liabilities.

4. The appraisal of assets and liabilities of consolidated subsidiaries

The Company uses purchase method whereby all (including minority interest portion) assets and liabilities of consolidated subsidiaries were valued at fair value when purchased.

5. Appropriation of retained earnings and disposition of accumulated deficit

The consolidated statement of retained earnings is prepared based on the appropriation of retained earnings or disposition of accumulated deficit resolved during the consolidated fiscal year.

6. Scope of cash equivalents

Cash equivalents are short-term investments with maturity due within 3 months of the date of acquisition that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Consolidated Balance Sheets)

(Millions of Yen, except where specifically indicated)

As of March 31, 2004

1.Accumulated depreciation of tangible fixed assets

¥583,022

2.Investments in non-consolidated subsidiaries

¥584

3. Contingent liabilities

The Company issued guarantees in respect to borrowings made by and bonds issued by the following parties.

Guaranteed party	Guarantees Outstanding	Company's allocated share of guarantees outstanding
POWEREDCOM	2,494	2,494
South Tokyo Cable Television	333	55
Total	2,827	2,550

4.Shares issued and outstanding

Number of shares issued and outstanding (In thousands of ordinary shares)	3,195

5.Treasury stock

Number of shares held by the Company (In ordinary shares)	28.2

As of March 31, 2005

1. Accumulated depreciation of tangible fixed assets

¥737,466

2.Investments in non-consolidated subsidiaries

¥584

3. Contingent liabilities

The Company issued guarantees in respect to borrowings made by and bonds issued by the following parties.

Guaranteed party	Guarantees Outstanding	Company's allocated share of guarantees outstanding
POWEREDCOM	2,494	2,494
South Tokyo Cable Television	288	48
Toshima Cable Network	19	19
Total	2,801	2,561

4.Shares issued and outstanding

Number of shares issued and outstanding (In thousands of ordinary shares)	5,427

5.Treasury stock

Number of shares held by the Company (In ordinary shares)	49.08

(Consolidated statements of operations)

(Millions of Yen)

<table>
<tr><th>Year Ended March 31, 2004</th><th>Year Ended March 31, 2005</th></tr>
<tr><td>

1. Operating expenses related to Telecommunication services

Selling and promotional expenses	¥525,201
Telecommunications operation expenses	49
Facilities maintenance costs	50,099
Unallocable joint costs	433
Administrative expenses	85,732
Research and development expenses	412
Depreciation and amortization	257,128
Loss on disposal of fixed assets	10,689
Fees for utilization of other companies' network facilities	207,741
Taxes and dues	20,061

2. Research and development expenses included in operating expenses

¥412

3. Details of gain/loss on sale of fixed assets

(1) Gain on sales of the following fixed assets:

Land	¥2,218
Ocean cable facilities	858
Others	32
Total	3,110

(2) Losses were realized on sale of the following fixed assets:

Facility / utility rights	¥10
Long-term prepaid expenses	7
Terminal facilities	4
Others	0
Total	22

4. ―――――

5.

</td><td>

1. Operating expenses related to Telecommunication services

Selling and promotional expenses	¥493,316
Facilities maintenance costs	34,722
Administrative expenses	72,893
Research and development expenses	6,599
Depreciation and amortization	236,911
Loss on disposal of fixed assets	4,082
Fees for utilization of other companies' network facilities	149,740
Taxes and dues	19,337

2. Research and development expenses included in operating expenses

¥6,599

3. Details of gain/loss on sale of fixed assets

(1) Gains on sales of the following fixed assets:

Long-distance line facilities	¥42
Others	4
Total	47

(2) Losses were realized on sale of the following fixed assets:

Machinery and equipment	¥125
Land	2
Others	3
Total	131

4. Details of additional benefits on early retirement program

Additional early retirement payments	¥4,666
Outplacement support	451
Others	4

5. Details of loss on modification of system development

Loss on disposal of fixed assets	¥15,087
Cost of system consolidation approach change	4,923

</td></tr>
</table>

(Consolidated statements of cash flows)

(Millions of Yen)

Year Ended March 31, 2004		Year Ended March 31, 2005	
1. Reconciliation of cash and cash equivalents, in the consolidated statement of cash flows to the consolidated balance sheet		**1. Reconciliation of cash and cash equivalents, in the consolidated statement of cash flows to the consolidated balance sheet**	
Cash on hand and in bank	¥770	Cash on hand and in bank	¥637
Cash and cash equivalents	770	Cash and cash equivalents	637
2. Assets and liabilities of companies no longer consolidated as a result of sale of shares			
Breakdown of assets and liabilities of Japan Telecom and its 5 subsidiaries that are no longer consolidated as a result of sale of shares and the adjustments from the sale transaction are summarized below.			
Current Assets	¥109,875		
Fixed Assets	398,524		
Current Liabilities	(79,160)		
Long-term Liabilities	(15,885)		
Minority Interests	(1,870)		
Net unrealized gain on available-for-sale securities	(140)		
Foreign currency translation adjustments	218		
Investment per consolidated balance sheet	411,562		
Proceeds from refund of subsidiaries' common stock	(232,289)		
Acquisition of investment securities	(32,500)		
Loss on sale of investment	(152,331)		
Cash and cash equivalents	(45,383)		
Adjustments due to sale of investment	(50,942)		

(Leases)

Refer to the disclosure on EDINET.

(Investment securities)

1. Other securities with market value

(Millions of Yen)

	Category	Year Ended March 31, 2004			Year Ended March 31, 2005		
		Acquisition cost	Per consolidated balance sheet	Variance	Acquisition cost	Per consolidated balance sheet	Variance
Securities of which carrying values exceed acquisition cost	Equity securities	¥139	¥830	¥690	¥138	¥761	¥623
	Sub-total	139	830	690	138	761	623
Securities of which carrying values do not exceed acquisition cost	Equity securities	—	—	—	1	0	(0)
	Sub-total	—	—	—	1	0	(0)
Total		139	830	690	139	762	623

2. Other securities sold during the fiscal year

(Millions of Yen)

Year Ended March 31, 2004			Year Ended March 31, 2005		
Proceeds	Total profit on sale	Total loss on sale	Proceeds	Total profit on sale	Total loss on sale
¥16,044	¥4,464	¥1	¥34,534	¥1,444	¥28

3. Major securities with no market value

(Millions of Yen)

	Year Ended March 31, 2004	Year Ended March 31, 2005
	Per consolidated balance sheet	Per consolidated balance sheet
Other securities (1)Unlisted stocks (except for over-the-counter stocks)	¥34,611	¥1,366

(Derivative financial instruments)

Refer to the disclosure on EDINET.

(Employees' Retirement Benefits)

1. Summary of Employees' Retirement Benefits

The Company has severance lump-sum payment plan and tax qualified pension plan based on defined benefit pension schemes. There plans are succeeded from (former) Vodafone K.K. that was merged on October 1, 2004. It is scheduled to shift from a present retirement plans to the defined contribution pension plans and severance lump-sum payment plan on April 1, 2005.

2. Funded status of employees' retirement benefits plan

(Millions of Yen)

	As of March 31, 2004	As of March 31, 2005
(1) Projected benefit obligation	¥(6,714)	¥(5,868)
(2) Plan assets, at fair value	400	479
(3) Liability for employees' retirement benefits (1)+(2)	(6,313)	(5,388)

3. Components of net periodic benefit costs

(Millions of Yen)

	Year Ended March 31, 2004	Year Ended March 31, 2005
(1) Service cost	¥1,845	¥1,070
(2) Interest cost	219	143
(3) Expected return on plan assets	(10)	—
(4) Amortization of actuarial loss	(854)	(366)
(5) Additional retirement benefit paid	1	4,658
Net periodic benefit costs	1,202	5,505

(1) The service cost includes net periodic benefit costs of certain subsidiaries, which are calculated based on the simplified method as specified by Generally Accepted Accounting Principles in Japan.

4. Assumptions used for actuarial calculations

	Year Ended March 31, 2004	Year Ended March 31, 2005
(1) Discount rate	2.25%	2.5%
(2) Expected rate of return on plan assets	4.0%	0.0%
(3) Method of periodic allocation of expected benefit	Benefit / years-of-service approach	
(4) Amortization period of prior service cost	Expensed in the fiscal year when incurred	
(5) Amortization period of actuarial gain/loss	Expensed in the fiscal year when incurred	

(Deferred Taxes)

(Millions of Yen, except where specifically indicated)

As of March 31, 2004	As of March 31, 2005
1.The tax effects of significant temporary differences and loss carryforward which resulted in deferred tax assets and liabilities were as follows:	1.The tax effects of significant temporary differences and loss carryforward which resulted in deferred tax assets and liabilities were as follows:

As of March 31, 2004

(Deferred tax assets)	
Loss carryforward	¥194,722
Provision for loyalty program	10,715
Write-down of Inventory	9,600
Accounts payable - other	5,975
Depreciation	3,524
Deferred revenue	3,295
Enterprise tax payable	3,248
Liability for employees' retirement benefits	2,528
Accrued bonuses to employees	2,016
Advance received	1,837
Allowance for doubtful accounts	1,500
Allowance for loss on guarantees	1,400
Investments in affiliates	1,275
Others	2,916
Sub-total	244,558
Less: Valuation allowance	(198,321)
Total deferred tax assets	46,236
Less: Deferred tax liabilities	(283)
Net deferred tax assets	45,953

(Deferred tax liabilities)	
Unrealized gain on available-for-sale securities	(283)
Total deferred tax liabilities	(283)
Less: Deferred tax assets	283
Net deferred tax liabilities	–

As of March 31, 2005

(Deferred tax assets)	
Loss carryforward	¥170,672
Provision for loyalty program	12,965
Depreciation	9,433
Deferred revenue	8,819
Accounts payable - other	7,852
Software	6,185
Deemed depreciation	5,777
Investments in affiliates	5,612
Allowance for doubtful accounts	3,417
Write-down of inventories	3,358
Liability for employees' retirement benefits	2,179
Advance received	2,053
Accrued bonuses to employees	1,756
Others	1,741
Sub-total	241,825
Less: Valuation allowance	(105,720)
Total deferred tax assets	136,105
Unrealized gain on available-for-sale securities	(255)
Net deferred tax assets	135,849

(Deferred tax liabilities)	
Unrealized gain on available-for-sale securities	(255)
Total deferred tax liabilities	(255)
Less: Deferred tax assets	255
Net deferred tax liabilities	–

As of March 31, 2004	As of March 31, 2005
2. A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of operations for the year ended March 31, 2004 was as follows:	2. A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of operations for the year ended March 31, 2005 was as follows:

Normal effective statutory tax rate	42.0%
(Reconciling items)	
Elimination of unrealized intercompany profit	(3.9)
Valuation allowance	459.9
Permanently non-taxable income, such as dividends income	(282.0)
Permanently non-deductible expenses, such as entertainment	2.1
Per capita levy of inhabitant taxes	0.6
IT investment tax credit	(22.6)
Effect of tax rate change	15.7
Others	0.5
Actual effective tax rate	212.3

Normal effective statutory tax rate	41.0%
(Reconciling items)	
Valuation allowance	(51.5)
Utilization of loss carryforward	(19.0)
IT investment tax credit	(1.5)
Permanently non-deductible expenses, such as entertainment	0.3
Permanently non-taxable income, such as dividends income	(9.9)
Others	(1.8)
Actual effective tax rate	(42.4)

(Segment Information)

(1) Business segments

Year ended March 31, 2004

(Millions of Yen)

	Fixed-line Telecommunication Services	Mobile Telecommunication Services	Total	Elimination and other adjustments	Consolidated
Operating revenue and operating income					
Operating revenue					
(1)Sales to external customers	¥151,566	¥1,504,084	¥1,655,651	－	¥1,655,651
(2)Inter-segment sales	23,489	4,737	28,226	¥(28,226)	－
Total revenue	175,056	1,508,821	1,683,877	(28,226)	1,655,651
Operating expenses	172,525	1,326,566	1,499,091	(28,485)	1,470,606
Operating income	2,531	182,255	184,786	258	185,045
Assets, depreciation expense and capital expenditure					
Assets	－	1,428,167	1,428,167	－	1,428,167
Depreciation expense	32,242	225,764	258,006	(31)	257,975
Capital expenditure	9,161	243,919	253,081	－	253,081

(Note) Business segments and main services

Business segment	Main Services
Fixed-line Telecommunication Services	Domestic long-distance telephone services, international telephone services, High-speed digital leased circuit services, ODN (Open Data Network), Frame relay services, etc.
Mobile Telecommunication Services	Mobile telecommunication services, mobile handset sales

Year ended March 31, 2005

Our group manages only mobile communication services, therefore, business segment information is not provided for the year ended March 31, 2005.

(2) Geographical Segments

The domestic share of all segment revenue and assets exceeds 90% and, therefore, geographical segment information is not provided for the years ended March 31, 2005 and 2004.

(3) Sales to Foreign Customers

Sales to foreign customers are less than 10% of total revenue and, therefore, such information is not provided for the years ended March 31, 2005 and 2004.

(Related party transactions)

Year ended March 31, 2005

Common parent companies

(Millions of Yen)

Relationship with Vodafone K.K.	Company	Location	Capital (Par value)	Nature of Business	Ownership of the voting rights (%)	Relations		Nature of transactions	Transaction amount during the year	Consolidated balance sheet accounts	Year-end balance
						Common directors	Business relationship				
Common parent company	Vodafone Overseas Finance Ltd.	Newbury ,U.K.	(Millions of Euro) 1,000	Finance Company	–	–	Borrowing	Borrowing of funds Payment of Interest Payment of Miscellaneous expenses	188,350 581 131	Short term borrowing Accrued expense	188,350 92
Common parent company	Vodafone Group Service Ltd.	Newbury ,U.K	(Thousands of Euro) 48,392	Group Products Service Provider	–	2	Being provided management service	Miscellaneous income Operating expense	115 15,480	Accounts receivable –other Accounts payable –other	1,318 13.954

(Note)
1. These companies are subsidiaries of Vodafone Group Plc, the parent company of Vodafone K.K.
2. Interests on borrowed funds are determined based on current market interest rates. No collateral is supplied.

(Per share information)

(In Yen)

Year ended March 31, 2004	Year ended March 31, 2005
Net assets per share ¥113,150	Net assets per share ¥130,863
Net loss per share 31,310	Net income per share 38,341
The Company has no dilutive securities outstanding and, therefore, there is no difference between basic and diluted earnings per share.	The Company has no dilutive securities outstanding and, therefore, there is no difference between basic and diluted earnings per share.

(Note)
The following data was used as the basis to calculate earnings per share.

(Millions of Yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Net Income/(loss)	¥(100,042)	¥162,017
Amounts not belonging to ordinary shareholders	–	–
(Directors' bonus included in above amounts)	–	–
Net income/(loss) attributable to ordinary shares	(100,042)	162,017
Weighted average number of shares (shares)	3,195,210	4,225,675

Non-consolidated Financial Results for the year ended March 31, 2005

May 24, 2005

Company name: Vodafone K .K .
Code number: 9434
(URL http://www.vodafone.jp)
Representative: William T. Morrow, Representative Executive Officer
Person responsible for inquires: Seiichi Tateishi, Corporate Officer, Controller

Stock exchange listings: TSE, OSE
Location of corporate headquarters: Tokyo

TEL (03) 6403 - 2986

Date of approval of financial statements by the Board of Directors: May 24, 2005
Date of the general shareholders' meeting: June 29, 2005
Date of year end dividend payment: June 30, 2005

Interim dividends: Yes
Unit share system: None

1. Non-consolidated results for the year ended March 31, 2005(from April 1, 2004 to March 31, 2005)

(1) Operating result (Japanese yen figures less than a million yen are rounded down to the nearest million yen)

	Operating revenue		Operating income		Ordinary income	
Year ended:	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2005	737,232	-	72,305	703.5	69,286	-
March 31, 2004	15,562	(89.6)	8,999	(22.2)	5,847	(46.3)

	Net income(loss)		Earnings (loss) per share	Diluted earnings (loss) per share	Return on shareholders' equity ratio	Ordinary income to total shareholders' equity ratio	Ordinary income to operating revenue ratio
Year ended:	Millions of Yen	%	Yen	Yen	%	%	%
March 31, 2005	140,742	-	33,306.58	-	26.7	5.9	9.4
March 31, 2004	(144,272)	-	(45,152.78)	-	(34.6)	0.5	37.6

Notes:
1. The weighted average number of shares for the years ended March 31,2005 and 2004 were 4,225,675 shares and 3,195,210 shares, respectively.
2. There was no change in accounting policies during the year ended March 31, 2005.
3. The percentages for operating revenue, operating income, ordinary income, and net income(loss) represent the increase or decrease over the previous year.

(2) Dividends

	Dividends per share	Half-year	Year-end	Total dividends for the year	Payout ratio	Dividends to share capital ratio
Year ended:	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2005	1,200.00	600.00	600.00	5,173	3.7	0.7
March 31, 2004	1,200.00	600.00	600.00	3,834	-	1.1

(3) Financial position

	Total assets	Shareholders' equity	Shareholders' equity to total assets ratio	Shareholders' equity per shar
Year ended:	Millions of Yen	Millions of Yen	%	Yen
March 31, 2005	1,364,181	712,233	52.2	131,217.13
March 31, 2004	984,973	342,376	34.8	107,153.07

Notes:
1. The number of shares outstanding at March 31, 2005 and 2004 were 5,427,896 shares and 3,195,208 shares, respectively.
2. The number of treasury shares at March 31, 2005 and 2004 were 49 shares and 28 shares, respectively.

2. Forecast of non-consolidated operating results for the year ending March 31, 2006(from April 1, 2005 to March 31, 2006)

	Operating revenue	Ordinary income	Net income	Dividend per share Half-year	Year-end	
	Millions of Yen	Millions of Yen	Millions of Yen	Yen	Yen	Yen
Half year ending September 30, 2005	–	–	–	–	–	–
Year ending March 31, 2006	–	–	–	–	–	–

Notes: The forecast earnings per share for the year ending March 31, 2006 is － yen.

Non-consolidated Financial Statements

(1) Non-consolidated Comparative Balance Sheets

(Millions of Yen)

Account	March 31 2004	March 31 2005	Increase / (Decrease)
(Assets)			
Fixed Assets	*165,883*	*1,064,070*	*898,187*
Fixed Assets for Telecommunication Services	—	*959,489*	*959,489*
Tangible fixed assets	—	*786,808*	*786,808*
Machinery and equipment	—	474,076	474,076
Air cable facilities	—	200,430	200,430
Terminal	—	0	0
Local line facilities	—	1,700	1,700
Long-distance line facilities	—	3,376	3,376
Civil construction facilities	—	2,636	2,636
Buildings	—	23,751	23,751
Structures	—	15,106	15,106
Other machinery	—	1	1
Vehicles	—	185	185
Tools, furniture and fixtures	—	21,732	21,732
Land	—	8,954	8,954
Construction in progress	—	34,857	34,857
Intangible fixed assets	—	*172,681*	*172,681*
Facility/utility rights	—	4,455	4,455
Software	—	158,951	158,951
Others	—	9,274	9,274
Fixed Assets for Supplementary Services	*5*	—	*(5)*
Tangible fixed assets	*4*	—	*(4)*
Intangible fixed assets	*0*	—	*(0)*
Investments and Other assets	*165,877*	*104,580*	*(61,297)*
Investment securities	34,563	2,129	(32,434)
Other investments	—	1	1
Investments in affiliates	131,268	3,543	(127,725)
Long-term prepaid expenses	—	20,327	20,327
Deferred tax assets	—	67,477	67,477
Others	45	11,101	11,055
Current Assets	*819,090*	*300,110*	*(518,979)*
Cash on hand and in bank	7	556	548
Accounts receivable-trade	—	163,796	163,796
Accounts receivable-other	49,313	32,343	(16,969)
Short-term loans	769,598	—	(769,598)
Inventories	—	32,049	32,049
Supplies	0	310	310
Prepaid expenses	1	9,975	9,974
Deferred tax assets	—	67,908	67,908
Others	618	1,495	877
Allowance for doubtful accounts	(448)	(8,323)	(7,874)
Total Assets	*984,973*	*1,364,181*	*379,207*

(Millions of Yen)

Account	March 31, 2004	March 31, 2005	Increase / (Decrease)
(Liabilities)			
Long-term Liabilities	*175,000*	*171,283*	*(3,717)*
Bonds	175,000	125,000	(50,000)
Long-term borrowings	—	8,000	8,000
Liability for employees' retirement benefits	—	5,388	5,388
Retirement allowance for directors and executive officers	0	43	42
Provision for loyalty program	—	31,623	31,623
Others	—	1,227	1,227
Current Liabilities	*467,596*	*480,664*	*13,068*
Current portion of long-term bonds	—	50,000	50,000
Accounts payable-trade	—	47,202	47,202
Short-term borrowings	460,173	188,863	(271,310)
Accounts payable-other	3,077	158,923	155,846
Accrued expenses	792	1,151	359
Income taxes payable	2	1,962	1,959
Advance received	—	26,841	26,841
Deposit received	14	987	973
Allowance for losses on guarantees	3,442	—	(3,442)
Accrued bonuses to employees	—	4,279	4,279
Others	93	452	358
Total Liabilities	*642,597*	*651,948*	*9,351*
(Shareholders' Equity)			
Common Stock	*177,251*	*177,251*	—
Capital Surplus	*265,508*	*387,503*	*121,994*
Additional paid-in capital	65,508	297,898	232,390
Other capital surplus	200,000	89,604	(110,395)
Transfer due to capital reduction	200,000	89,604	(110,395)
Retained earnings(accumulated deficit)	*(100,175)*	*147,128*	*247,303*
Appropriated to legal reserve	8,302	8,302	—
Voluntary reserve	36,000	—	(36,000)
Unappropriated retained earnings	(144,478)	138,825	283,303
Unrealized gain(losses) on available-for-sale securities	*(196)*	*367*	*563*
Treasury stock	*(10)*	*(16)*	*(6)*
Total Shareholders' Equity	*342,376*	*712,233*	*369,856*
Total of Liabilities and Shareholders' Equity	*984,973*	*1,364,181*	*379,207*

(2) Non-consolidated Comparative Statements of Income

Millions of Yen)

	Year ended March 31, 2004	Year ended March 31, 2005	Increase / (Decrease)
Ordinary Income/Loss Section			
(Operating Income/Loss Section)			
Telecommunication Services			
Operating revenues	*—*	*565,255*	*565,255*
Voice transmission services	—	509,566	509,566
Data transmission services	—	55,688	55,688
Operating costs and expenses	*—*	*510,687*	*510,687*
Selling and marketing expenses	—	248,436	248,436
Facilities maintenance expenses	—	17,365	17,365
Administrative expenses	—	37,807	37,807
Research and development expenses	—	6,599	6,599
Depreciation and amortization	—	117,983	117,983
Loss on disposal of fixed assets	—	2,814	2,814
Communication facilities usage fees	—	70,255	70,255
Taxes and dues	—	9,424	9,424
Operating Income on Telecommunication Services	*—*	*54,567*	*54,567*
Supplementary Services			
Operating revenues	—	171,977	171,977
Merchandise sales	—	168,240	168,240
Other revenue	15,562	3,737	(11,825)
Operating costs and expenses	—	154,239	154,239
Cost of goods sold	—	152,669	152,669
Other costs	6,563	1,570	(4,992)
Operating Income on Supplementary Services	*8,999*	*17,738*	*8,738*
Total Operating Income	*8,999*	*72,305*	*63,306*
(Non-operating Income/Loss Section)			
Non-operating Income	*62*	*1,132*	*1,070*
Interest income	0	12	12
Dividends income	15	46	31
Rental income	—	255	255
Collection of written-off receivables	—	146	146
Interest on refund of taxes paid	—	147	147
Other income	46	523	477
Non-operating Expenses	*3,214*	*4,151*	*937*
Interest expenses	0	535	535
Bond interest	2,919	3,304	384
Foreign exchange loss	—	209	209
Other expenses	294	101	(192)
Ordinary Income	*5,847*	*69,286*	*63,439*
Special Gain/Loss Section			
Special Gain	*5,646*	*5,382*	*(264)*
Gain on sale of fixed assets	—	47	47
Gain on sale of investment securities	484	1,444	960
Gain on sale of investments in subsidiaries and affiliates	2,770	—	(2,770)
Gain on liquidation of affiliates	302	—	(302)
Gain on reversal of allowance for loss on guarantees	686	3,442	2,755
Gain on reversal of allowance for doubtful accounts	1,328	448	(879)
Others	74	—	(74)
Special Loss	*156,636*	*20,343*	*(136,293)*
Loss on sale of fixed assets	—	131	131
Write down of investment securities	23	16	(6)
Loss on sale of investment securities	—	28	28
Loss on sale of investment in subsidiaries and affiliates	156,597	155	(156,441)
Loss on modification of system development	—	20,010	20,010
Others	15	—	(15)
Income(Loss) before Income Taxes	*(145,142)*	*54,326*	*199,468*
Income Taxes-Current	*1*	*60*	*58*
Reversal of income taxes payable	*(871)*	*(1,628)*	*(756)*
Income Taxes-Deferred	*—*	*(84,848)*	*(84,848)*
Net Income(Loss)	*(144,272)*	*140,742*	*285,015*
Retained earnings at beginning of year	*1,711*	*—*	*(1,711)*
Interim dividends	*1,917*	*1,917*	*(0)*
Unappropriated retained earnings (deficit) at end of year	*(144,478)*	*138,825*	*283,303*

Statements of Appropriation of Retained Earnings and Disposition of Accumulated Deficit

(Millions of Yen)

Description	Year ended March 31,2004	Description	Year ended March 31,2005
(Undisposed accumulated deficit)		(Unappropriated retained earnings)	
Accumulated deficit at end of year	¥144,478	Unappropriated retained earnings at end of year	¥138,825
Amounts to be disposed		Amounts to be appropriated	
Reversal of voluntary reserves		Cash dividends paid	3,256
Reversal of other reserve	36,000		(¥600 per share)
Transfer from other capital surplus	108,478		
Retained earnings to be carried forward	—	Retained earnings to be carried forward	135,568
(Transfer of other capital surplus)		(Transfer of other capital surplus)	
Other capital surplus	200,000	Other capital surplus	89,604
Amounts to be transferred			
Transfer to accumulated deficit	108,478		
Cash dividends	1,917		
	(¥600 per share)		
Other capital surplus to be carried forward	89,604	Other capital surplus to be carried forward	89,604

Note: Interim dividends amounting to 1,917million yen (600 yen per share) were made on December 10, 2004.

Significant accounting policies

1. Depreciation policy

Tangible fixed assets

Depreciation of tangible fixed assets is computed under the straight-line method.

The estimated useful lives of major fixed assets are as follows:

- Machinery and equipment: 2 to 15 years.
- Air cable facilities: 10 to 42 years.
- Buildings: 3 to 50 years.
- Structures: 3 to 50 years.
- Tools, furniture and fixtures: 2 to 15 years.

Intangible fixed assets

Intangible fixed assets are amortized under the straight-line method.

The estimated useful lives of major intangible fixed assets are as follows:

- Software for internal use: 5 years
- Goodwill: 5 years

Long-term prepaid expenses

Long-term prepaid expenses are amortized under the straight-line method.

2. Valuation method of securities

Investments in subsidiaries and associated companies

Investments in subsidiaries and affiliated companies are carried at cost by the moving-average method.

Other securities

- Securities with market value are carried at fair value based on the market price at the balance sheet date. Unrealized gains and losses are reported in a separate component of shareholders' equity. The cost of securities sold during the year is calculated by the moving-average method.
- Securities without market value are carried at cost using the moving-average method.

3. Inventories

Inventories are carried at cost by the moving-average method.

4. Allowances and provisions

(1) Allowance for doubtful accounts

Allowance for doubtful accounts is calculated based on the company's' past credit loss experience and an evaluation of potential losses for outstanding receivables.

(2) Liability for employees' retirement benefits

Liability for employees' retirement benefits is established based on projected benefit obligations and plan assets at each balance sheet date. The actuarial gain or loss and prior service costs have fully charged to operations when incurred.

(3) Retirement allowance for directors and executive officers

Retirement allowance for directors and executive officers is accrued based on the amount that would be required to be paid, in accordance with the Company's practices.

(4) Accrued bonuses to employees

Accrued bonuses to employees are accrued based on the estimated liability incurred in the current period.

(5) Provision for loyalty program
Provision for loyalty program is accrued based on the estimated future obligation arising from "Vodafone Mileage Service", based on past experience.

5. Leases

Finance leases, other than those which are deemed to transfer the ownership of the leased assets to lessees, are accounted for using the method applicable to operating leases.

6. Hedge accounting

(1) Hedge accounting method
Gains or losses on derivatives for hedging purposes are principally deferred to maturity of the hedged transactions. Interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market values but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

(2) Hedging instrument and hedged item
The Company enters into interest swap contracts to manage interest rate risk exposure on certain bonds and borrowings.

(3) Company's policy for using derivatives
The execution and control of derivatives is performed by the Finance Department in accordance with internal policies and rules. It is the Company's policy to use derivatives only for the purpose of reducing market risk associated with assets and liabilities and, therefore, the Company does not enter into derivatives for trading or speculative purposes.

(4) Assessment of hedge effectiveness
The Company assesses hedge effectiveness based on a semi-annual analysis of the cumulative amount of change in cash flows of hedged items and fluctuations in market price. Interest rate swaps which qualify for hedge accounting and meet specific matching criteria are excluded from the scope of this assessment.

7. Other significant matters relating to the preparation of the non-consolidated financial statements

Consumption taxes etc. are excluded from the principal amount of related transactions and are stated separately as a component of current assets or liabilities.

(Additional information)

The Company changed its balance sheet presentation from liquid stated method to fixed stated method because the Company's main operation changed to mobile telecommunications business by merger on October 1, 2004, in accordance with the Telecommunications Industry Accounting Rule. Therefore, interest income on loans receivables, commitment fees, dividend income, interest expenses on loans payable and commitment fees, which incurred from the transactions with subsidiaries and associated companies for the period October 1, 2004 through March 31, 2005 are classified from operating section to non-operating section in Non-consolidated Comparative Statements of Income. The Company believes that the effect of the change is minor.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

(Non-consolidated Balance Sheets)

(Millions of Yen, except where indicated)

As of March 31, 2004

1 Accumulated depreciation of tangible fixed assets

¥1

2 Major receivables and payables due from/ to affiliates

The significant balances not classified separately are as follows:

Short-term loans	¥769,598
Short-term borrowings	14,578

3 Authorized shares and issued and outstanding shares

Number of authorized shares (In shares)

Common Share 12,780,000

Number of shares Issued and outstanding (In shares) -

Common Share 3,195,236.65

4 Treasury stock

Number of treasury stock held by the Company 28.2 shares

5 Contingent liabilities

The Company issued guarantees in respect of bank borrowings made by and bonds issued by the following parties:

Guaranteed party	Guarantees Outstanding	Company's allocated share of guarantees outstanding
POWEREDCOM	2,494	2,494
South Tokyo Cable Television	333	55
Total	2,827	2,550

6 .

As of March 31, 2005

1 Accumulated depreciation of tangible fixed assets

¥737,549

2

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3 Authorized shares and issued and outstanding shares

Number of authorized shares (In shares)

- Common Share 12,780,000

Number of shares Issued and outstanding (In shares)

- Common Share 5,427,946.02

4 Treasury stock

Number of treasury stock held by the Company 49.08 shares

5 Contingent liabilities

The Company issued guarantees in respect of bank borrowings made by and bonds issued by the following parties:

Guaranteed party	Guarantees Outstanding	Company's allocated share of guarantees outstanding
POWEREDCOM	2,494	2,494
South Tokyo Cable Television	288	48
Toshima Cable Network	19	19
Total	2,801	2,561

6 .As a result of evaluating the assets defined in Article 124-1-3 of Enforcement Regulation of the Japanese Commercial Code at market value, net assets increased by ¥367 mill.

(Non-Consolidated statements of operations)

(Millions of Yen)

Year Ended March 31, 2004	Year Ended March 31, 2005
1 Major components of operating expenses Commission fees ¥2,507 Financial costs 2,300 Payroll costs 728 Taxes and dues 461 Provision for doubtful accounts 188	1 ―――――――
2 Transactions with affiliated companies Operating revenues ¥15,562 Bond interest (697)* *The amount represents the difference of processing the exception of the interest rate swap.	**2 Transactions with affiliated companies** Bond interest ¥(279) * *The amount represents the difference of processing the exception of the interest rate swap.
3 ―――――――	**3 Research and development expenses included in operating expenses** ¥6,599
4 ―――――――	**4 Details of gain on sale of fixed assets** The gain on sale of fixed assets consisted of the following Long-distance line facilities ¥42 Others 4
5 ―――――――	**5 Details of loss on sales of fixed assets** The loss on sale of fixed assets consisted of the following Machinery and equipment ¥125 Land 2 Others 3
6 ―――――――	**6 Details of loss on modification of system development** Loss on disposal of fixed assets ¥15,087 Cost of system consolidation approach change 4,923
7 Gain on sale of investments in affiliated companies of ¥2,770 was incurred from the transactions with affiliated companies.	7 ―――――――

8 Gain from liquidation of affiliated companies of ¥302 was incurred from liquidation of affiliated companies.	8 ————————————

(Leases)

Refer to the disclosure on EDINET.

(Investment securities)

The Company had no investments in affiliated companies with market value at March 31, 2004 and 2005.

(Deferred Taxes)

(Millions of Yen, except where indicated)

As of March 31, 2004

1.The tax effects of significant temporary differences and loss carryforward which resulted in deferred tax assets and liabilities were as follows:

(Deferred tax assets)	
Loss carryforward	¥194,722
Allowance for losses on guarantees	1,400
Investments in affiliates	1,275
Accounts payable – other	358
Write-down of investment securities	291
Allowance for doubtful accounts	182
Others	91
Sub-total	198,321
Less: Valuation allowance	(198,321)
Total deferred tax assets	–

As of March 31, 2005

1.The tax effects of significant temporary differences and loss carryforward which resulted in deferred tax assets and liabilities were as follows:

(Deferred tax assets)	
Loss carryforward	¥170,589
Provision for loyalty program	12,965
Depreciation	9,020
Deferred revenue	8,819
Accounts payable - other	7,852
Write-off of software	6,185
Deemed depreciation	5,777
Investments in affiliates	5,612
Allowance for doubtful accounts	3,412
Write-down of inventories	3,320
Liability for employees' retirement benefits	2,179
Advance received	2,053
Accrued bonuses to employees	1,754
Others	1,734
Sub-total	241,278
Less: Valuation allowance	(105,637)
Total deferred tax assets	135,640
Less: Deferred tax liabilities	(255)
Net deferred tax assets	135,385
(Deferred tax liabilities)	
Unrealized gain on available-for-sale securities	(255)
Sub-total	(255)
Less: Deferred tax assets	255
Net deferred tax liabilities	–

As of March 31, 2004

2 A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying statements of operations for the year ended March 31, 2004 was as follows:

As of March 31, 2005

2. A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying statements of operations for the year ended March 31, 2005 was as follows:

Year ended March 31, 2004		Year ended March 31, 2005	
Normal effective statutory tax rate	(42.0)%	Normal effective statutory tax rate	41.0%
(Reconciling items)		(Reconciling items)	
Permanently non-deductible expenses	0.1	Valuation allowance	(126.6)
Valuation allowance	108.9	Tax loss carryforward	(46.6)
Permanently non-taxable income	(70.5)	Permanently non-deductable expenses	0.3
Effect of tax rate change	2.9	Permanently non-taxable income	(25.8)
Others	0.0	Others	(1.4)
Actual effective tax rate	(0.6)	Actual effective tax rate	(159.1)

(Per share information)

(In Yen)

Year ended March 31, 2004		Year ended March 31, 2005	
Net assets per share	¥107,153	Net assets per share	¥131,217
Net loss per share	45,152	Net income per share	33,306
The Company has no dilutive securities outstanding and, therefore, there is no difference between basic and diluted earnings per share.		The Company has no dilutive securities outstanding and, therefore, there is no difference between basic and diluted earnings per share.	

(Note)

The following data was used as the basis to calculate earnings(loss) per share.

(Millions of Yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Net Income/(loss)	¥(144,272)	¥140,742
Amounts not belonging to ordinary shareholders (Directors' bonus included in above amounts)	— (—)	— (—)
Net income/(loss) attributable to ordinary shares	(144,272)	140,742
Weighted average number of shares (shares)	3,195,210	4,225,675

6. Transfer of Directors and Executive Officers (Pre-appointment)

(As of June 29, 2005)

(1) New Director Candidates (*indicates external director as provided by Japanese Commercial Code)

Director	William T. Morrow (Currently Representative Executive Officer, President, Vodafone K.K.)
Director	Gerry Bacon* (Currently Group Treasurer, Vodafone Group Plc; CFO, Vodafone Group Services Ltd.)
Director	Pauline Best* (Currently Global Resourcing & People Development Director, Vodafone Group Services Ltd.)

(2) Committee Members (*indicates external director as provided by Japanese Commercial Code)

Nomination Committee

Member	Pauline Best*
Member	Gerry Bacon*
Member	Charles Butterworth*

Audit Committee

Member	Gerry Bacon*
Member	Charles Butterworth*
Member	Pauline Best*

Compensation Committee

Member	Pauline Best*
Member	Gerry Bacon*
Member	Charles Butterworth*

(3) Directors scheduled to retire

Director	J. Brian Clark
Director	Michael J. Pitt
Director	Takehiko Aoki
Director	Hironori Aihara
Director	Tatsuya Tamura
Director	Yoko Kurita

(4) New Executive Officer Candidates

Executive Vice President, Executive Officer	Hiroshi Ohta
Senior Vice President, Executive Officer	Ted Toshihiko Katagi
Senior Vice President, Executive Officer	Minako Saeki

(4) Executive Officers scheduled to retire

Senior Executive Vice President, Executive Officer	Teruo Kunizawa
Senior Vice President Executive Officer	Chiyoko Saeki
Senior Vice President Executive Officer	John Kent
Senior Vice President Executive Officer	Frank Willemsen
Senior Vice President Executive Officer	Andrew Davies
Senior Vice President	Hans de Boer

<Reference> Directors and Executive Officers after the 19th Annual General Meeting (scheduled for June 29, 2005)

(*indicates external director as provided by Japanese Commercial Code)

Title	Name	Responsibilities	Notes
BOD Chairman, Executive Chairman Representative Executive Officer	Shiro Tsuda		
Director, President, Representative Executive Officer	William T. Morrow	Consumer Business Unit	
Director, CFO, Representative Executive Officer	John Durkin	Finance	
Director	Charles Butterworth*		Director of Group Investor Relations, Vodafone Group Services Ltd.
Director	Gerry Bacon*		Group Treasurer, Vodafone Group Plc; CFO, Vodafone Group Services Ltd.
Director	Pauline Best*		Global Resourcing & People Development Director, Vodafone Group Services Ltd.
Executive VP, Executive Officer	John Thompson	Technical	
Executive VP, Executive Officer	Hiroshi Ohta	Product / Service Development	
Senior VP, Executive Officer	Takehiko Aoki	Human Resources	
Senior VP, Executive Officer	Yoshio Igarashi	Regulatory & Legal	
Senior VP, Executive Officer	Yoshiro Hirao	Information Systems	
Senior VP, Executive Officer	Naoya Hirano	Sales	
Senior VP, Executive Officer	Ted Toshihiko Katagi	Marketing	
Senior VP, Executive Officer	Minako Saeki	Customer Service	

VP: Vice President

<Reference>

(New Director Candidate)

1.	Name:	William T. Morrow	
2.	Present Position:	Representative Executive Officer, President, Vodafone K.K.	
3.	Birth date:	Jul. 2, 1959	
4.	Work history:	Feb. 1994	Director, Network and Packet Data Services Dept., Pacific Bell Telephone Company (*1)
		Nov. 1995	Deputy Manager, Technical Planning, Tokyo Digital Phone Co., Ltd. (*2)
		May 1998	Chief Technology Officer, Proximus S.A. (*3)
		May 1999	Executive Vice President & COO, Proximus S.A.
		Jun. 2000	Vice President in charge of Group Technology Strategy, Vodafone Group Plc.
		Mar. 2001	Vice President, Vodafone Americas/Asia Inc. (*4)
		Jun. 2001	Director, Japan Telecom Co., Ltd. (current Vodafone K.K.)
		Dec. 2001	Representative Director, President, Japan Telecom Co., Ltd. (current Vodafone K.K.)
		Jun. 2002	Director, Representative Executive Officer, President, Japan Telecom Co., Ltd. (current Vodafone K.K.)
		Dec. 2003	Retired Director, Representative Executive Officer, President, Japan Telecom Holdings Co., Ltd. (current Vodafone K.K.)
		Feb. 2004	Chief Executive, Vodafone UK Ltd.
		Apr. 2004	Representative Executive Officer, President, Customer Service Director, current Vodafone K.K. (to present)

(*1) Current SBC Communications Inc.

(*2) Via mergers with other group companies, Tokyo Digital Phone Co., Ltd. became J-PHONE Co., Ltd. in November 2001. The company then changed its name to (the former) Vodafone K.K. in October 2003. The current Vodafone K.K. then merged with the former Vodafone K.K. in October 2004 to become the current Vodafone K.K.

(*3) Current Proximus-Belgacom Mobile S.A.

(*4) Current Vodafone Americas Inc.

<Reference>

(New Director Candidate)

1.	Name:	Gerry Bacon	
2.	Present Position	Group Treasurer, Vodafone Group Plc; CFO, Vodafone Group Services Ltd.	
3.	Birth date:	Feb. 5, 1963	
4.	Work history:	Sep. 1984	Senior Auditor, Stoy Hayward
		Jan. 1988	Project Leader, Merrill Lynch & Co., Inc.
		Oct. 1991	Assistant Treasurer, Kingfisher PLC
		Jul. 1993	Group Treasurer, Vodafone Group Plc (to present)
		Apr. 2005	CFO, Vodafone Group Services Ltd. (to present)

<Reference>

(New Director Candidate)

1.	Name:	Pauline Best	
2.	Present Position	Global Resourcing & People Development Director, Vodafone Group Services Ltd.	
3.	Birth date:	May 27, 1963	
4.	Work history:	Jan. 1991	Personnel Director, Talkland Retail Limited
		Aug. 1997	Personnel & Admin Director, Vodafone Retail Limited
		Apr. 1998	HR & Property Director, Vodafone Limited
		Jan. 2000	UK & MEA HR Director, Vodafone Limited
		May 2001	NEMEA Region HR Director, Vodafone UK Ltd.
		Jun. 2003	UK & Ireland Regional Director, Vodafone Group Services Ltd.
		Apr. 2004	Global People Development Director, Vodafone Group Services Ltd.
		May 2005	Global Resourcing & People Development Director, Vodafone Group Services Ltd. (to present)

<Reference>

(New Executive Officer Candidate)

1.	Name:	Hiroshi Ohta	
2.	Present Position	Senior Vice President, Corporate Officer, Product Management Director, Vodafone K.K. CTO, Gemini Mobile Technologies Inc. President, Gemini Mobile Technologies Inc.	
3.	Birth date:	Jan. 28, 1958	
4.	Work history:	Sep. 1988	Manager, Planning and Coordination Dept., Electronics and Information Systems Div., Nippon Steel Corporation
		Sep. 1991	Manager, Radio Network Dept., Tokyo Digital Phone Co., Ltd. (*1)
		Oct. 2000	General Manager of Service Development Dept., Technology Div., J-PHONE East Co., Ltd. (*1)
		Aug. 2001	CTO of Gemini Mobile Technologies Inc. (to present)
		Aug. 2001	President of Gemini Mobile Technologies Inc. (to present)
		May 2005	Senior Vice President, Corporate Officer, Product Management Director, Vodafone K.K. (to present)

(*1) Via mergers with other group companies, Tokyo Digital Phone Co., Ltd. became part of J-PHONE East Co., Ltd. in October 2000, which then became part of J-PHONE Co., Ltd. in November 2001. The company then changed its name to (the former) Vodafone K.K. in October 2003. The current Vodafone K.K. then merged with the former Vodafone K.K. in October 2004 to become the current Vodafone K.K.

<Reference>

(New Executive Officer Candidate)

1.	Name:	Ted Toshihiko Katagi	
2.	Present Position	Vodafone Group Plc Director of Commercial Strategy, Group Marketing, Vodafone Group Services Ltd.	
3.	Birth date:	Jul. 17, 1963	
4.	Work history:	Sep. 1994	Director of Corporate Strategy, Airtouch Communications Inc. (*1)
		Oct. 1995	Sales Strategy General Manager, Tokyo Digital Phone Co., Ltd. (*2)
		Jun. 1997	Managing Director of Sales Strategy, Kansai Digital Phone Co., Ltd. (*2)
		Jun. 1999	Vice President of Marketing, Verizon Wireless
		Oct. 2000	President, Compuwizards Staffing International LLC
		Dec. 2001	Enters Vodafone Group Plc (to present)
		Dec. 2001	Senior Vice President, General Manager, Corporate Planning HQ, Japan Telecom, Co., Ltd. (current Vodafone K.K.)
		Apr. 2002	Senior Vice President, Head, Enterprise Unit, Japan Telecom, Co., Ltd. (current Vodafone K.K.)
		Aug. 2002	Executive Vice President, Head, Enterprise Business Unit, Japan Telecom Co., Ltd. (*3)
		Jun. 2003	Executive Vice President, Executive Officer, Head, Enterprise Business Unit Japan Telecom Co., Ltd
		Nov. 2003	Director of Commercial Strategy, Group Marketing, Vodafone Group Services Ltd. (to present)

(*1) Current Vodafone Americas Inc.

(*2) Via mergers with other group companies, Tokyo Digital Phone Co., Ltd. and Kansai Digital Phone Co., Ltd. became J-PHONE Co., Ltd. in November 2001. The company then changed its name to (the former) Vodafone K.K. in October 2003. The current Vodafone K.K. then merged with the former Vodafone K.K. in October 2004 to become the current Vodafone K.K.

(*3) The current Vodafone K.K. performed a corporate split in August 2002 to newly form Japan Telecom Co., Ltd.

<Reference>

(New Executive Officer Candidate)

1.	Name:	Minako Saeki	
2.	Present Position	Corporate Officer and General Manager, Customer Communication Dept. and Customer Operation Dept., Customer Service Div., Vodafone K.K.	
3.	Birth date:	Oct. 27, 1963	
4.	Work history:	Oct. 1999	Assistant Vice President, Retail Bank/Citiphone Banking, Citibank, N.A.
		Mar. 2002	Corporate Officer and General Manager, Call Center Control Dept., Customer Service Div., J-PHONE Co., Ltd. (*1)
		Apr. 2002	Corporate Officer, Corporate Strategy Div., J-PHONE Co., Ltd.
		Apr. 2003	Corporate Officer and General Manager, Call Center Control Dept., Customer Service Div., J-PHONE Co., Ltd.
		Aug. 2004	Corporate Officer and General Manager, Customer Communication Dept., Customer Service Div., (former) Vodafone K.K.
		Apr. 2005	Corporate Officer and General Manager, Customer Communication Dept. and Customer Operation Dept., Customer Service Div., current Vodafone K.K. (to present)

(*1) J-PHONE Co., Ltd. changed its name to (the former) Vodafone K.K. in October 2003. The current Vodafone K.K. then merged with the former Vodafone K.K. in October 2004 to become the current Vodafone K.K.