



Vodafone K.K.

Earnings results for FY 2005 ended in March 2006

30 May 2006



Kazuhiko Fujihara

Senior Vice President, CFO

Seiichi Tateishi

Corporate Officer, Finance Deputy GM

Yoshimitsu Goto

Director

Financial Highlights: Consolidated P/L

■ Year on year performance

- Operating revenues: Down by 0.2% vs. the previous fiscal year.
Sustained net customer additions. ARPU decreased.
- Operating income: Down by 51.7% vs. the previous fiscal year.
Increased expenses due to active acquisition and retention activities.

(Unit: bn JPY)	FY2004	FY2005	variance	YoY (%)
Operating revenues	1,470.0	1,467.6	-2.4	-0.2%
Operating Expenses	1,312.0	1,391.3	79.3	6.0%
Depreciation	236.9	216.1	-20.8	-8.8%
Operating income	158.0	76.3	-81.7	-51.7%
Ordinary income	153.4	74.4	-79.0	-51.5%
Net income	162.0	49.5	-112.5	-69.4%
EBITDA	403.1	300.9	-102.2	-25.4%
EBITDA margin	27.4%	20.5%	-6.9 pp	-
Capex (fixed asset addition)	174.3	239.8	65.5	37.6%

Financial Highlights: Consolidated BS, CF

BS

(Unit: bn JPY)	FY2004	FY2005	variance
Fixed Assets	1,060.4	1,047.4	-13.0
Fixed Assets for Telecom Service	959.0	968.5	9.5
Investments and Other assets	101.5	78.9	-22.6
Current Assets	304.0	308.4	4.4
Total Assets	1,364.4	1,355.8	-8.6
Long-term Liabilities	171.3	144.0	-27.3
Current Liabilities	482.8	454.1	-28.7
Total Liabilities	654.1	598.1	-56.0
Total Shareholders' equity	710.3	757.7	47.4
Total Liabilities, Minority Interests, and Shareholders' Equity	1,364.4	1,355.8	-8.6

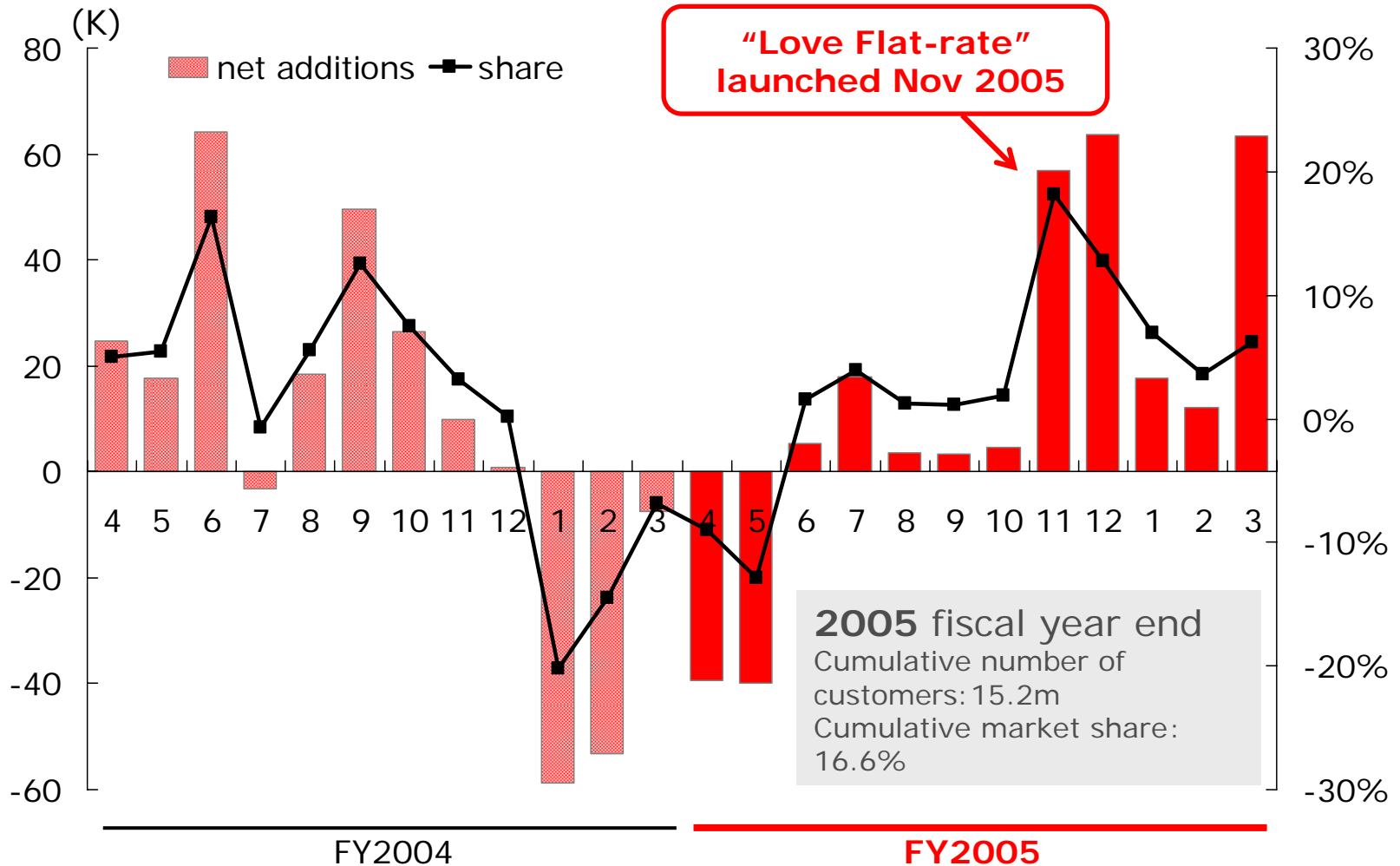
CF

(Unit: bn JPY)	FY2004	FY2005
CF from Operating activities	398.9	301.7
CF from Investing activities	-132.4	-190.6
CF from Financing activities	-266.7	-78.6
Cash and Cash equivalents at End of Year	0.6	33.0

Customer and ARPU trends: Customers (net additions)

Recovery to positive net additions

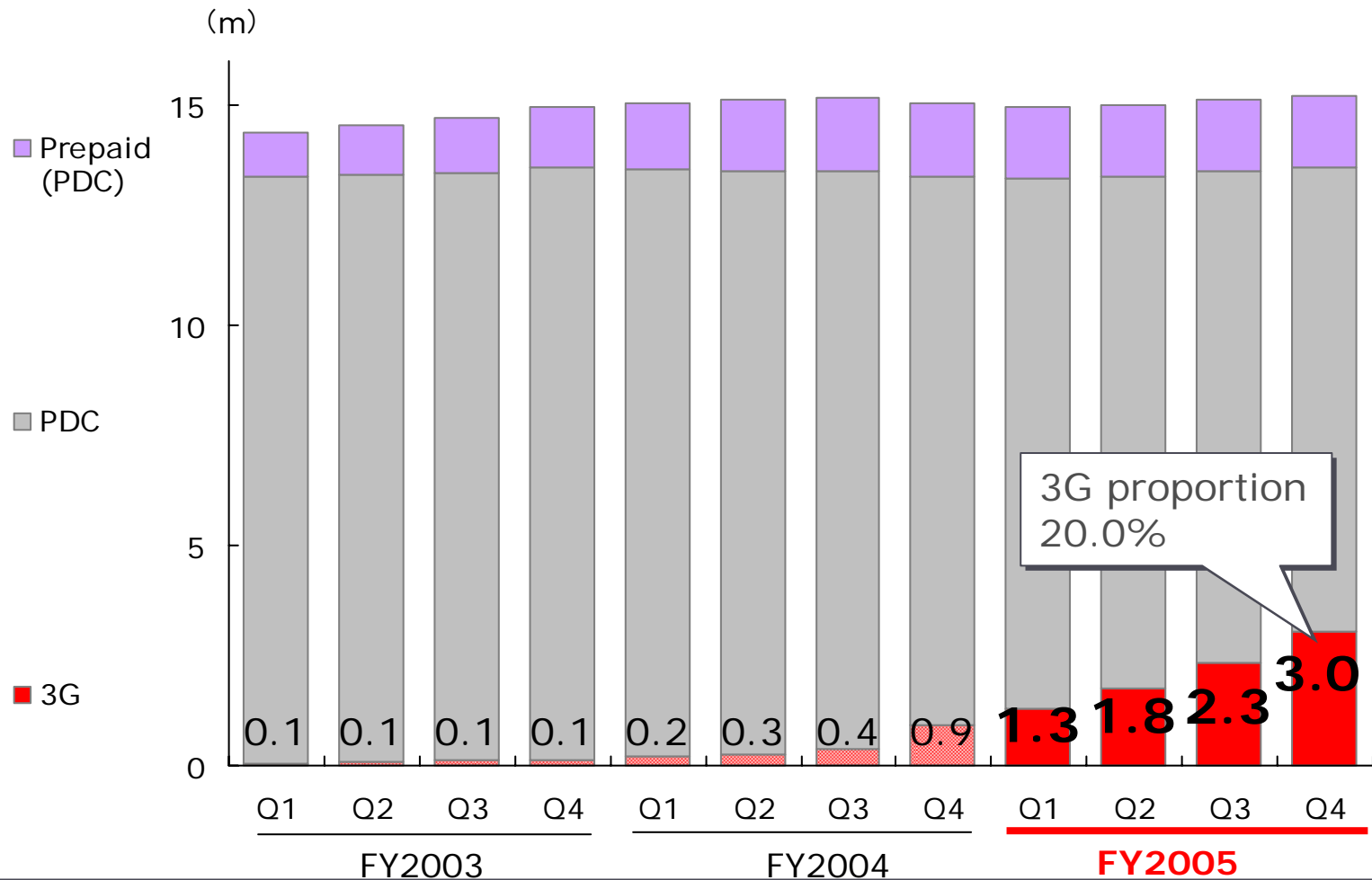
FY05: 169k ←FY04:89k



Customer and ARPU trends: 3G customers

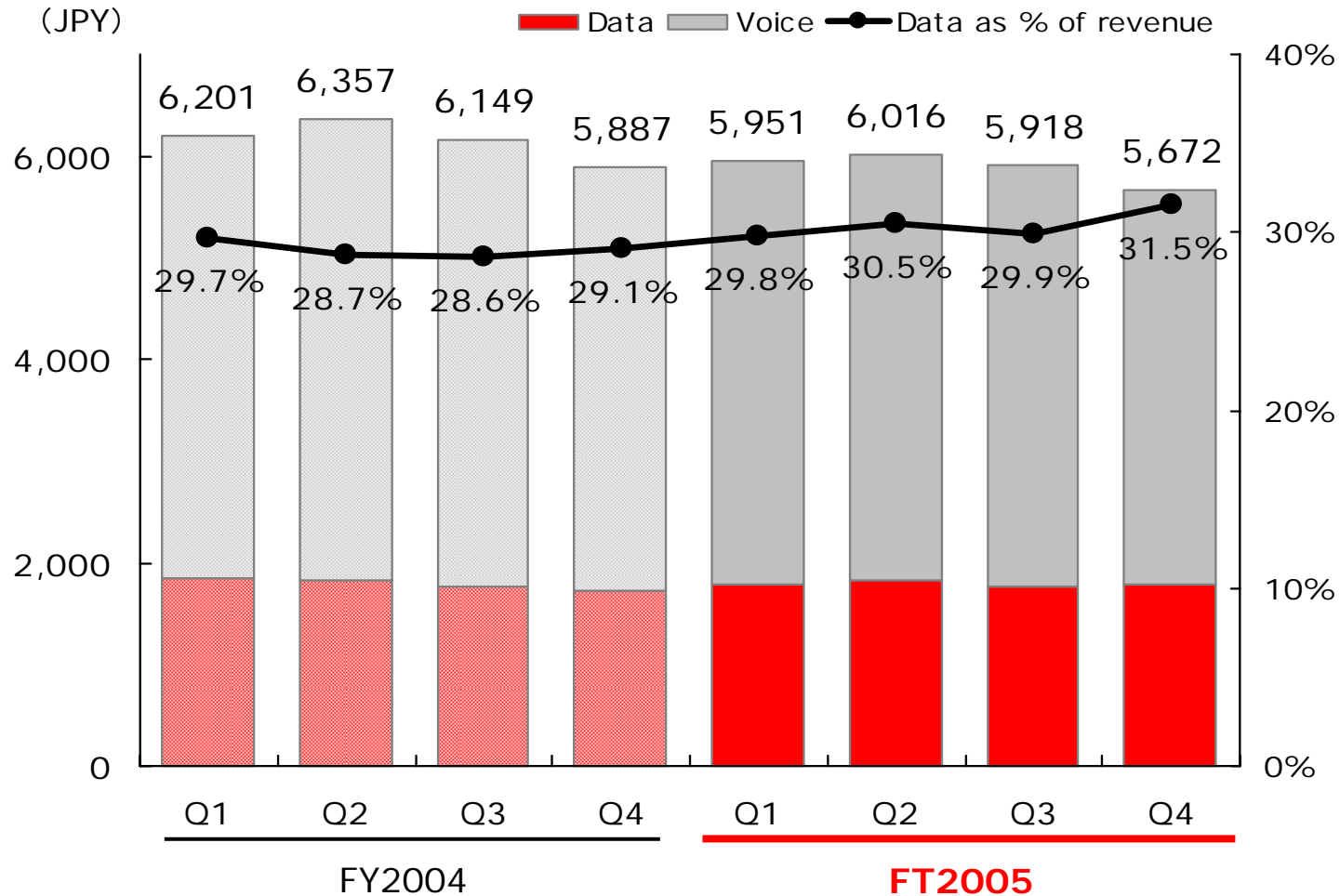
Accelerated migration to 3G

FY05: 3,040k ← FY04: 920k



Customer and ARPU trends: ARPU

■ Increase of 3G proportion and data ARPU is key

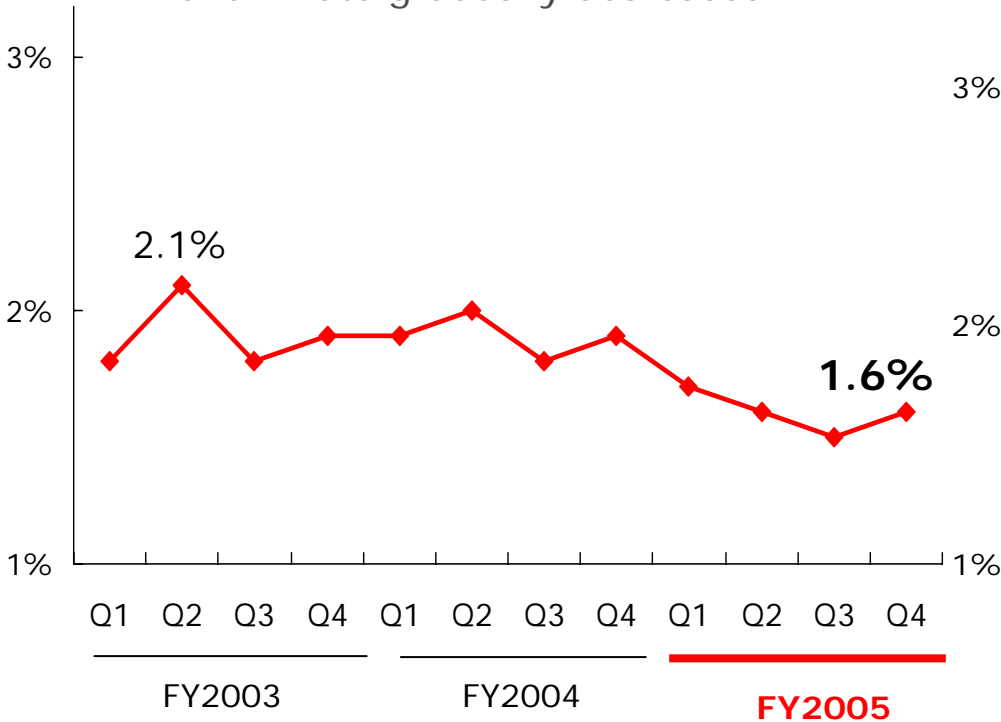


NB: Proportional division method for calculating postpaid voice and data amounts in basic monthly charges was revised to more accurately reflect customer usage.

Churn and upgrade rate, acquisition incentive

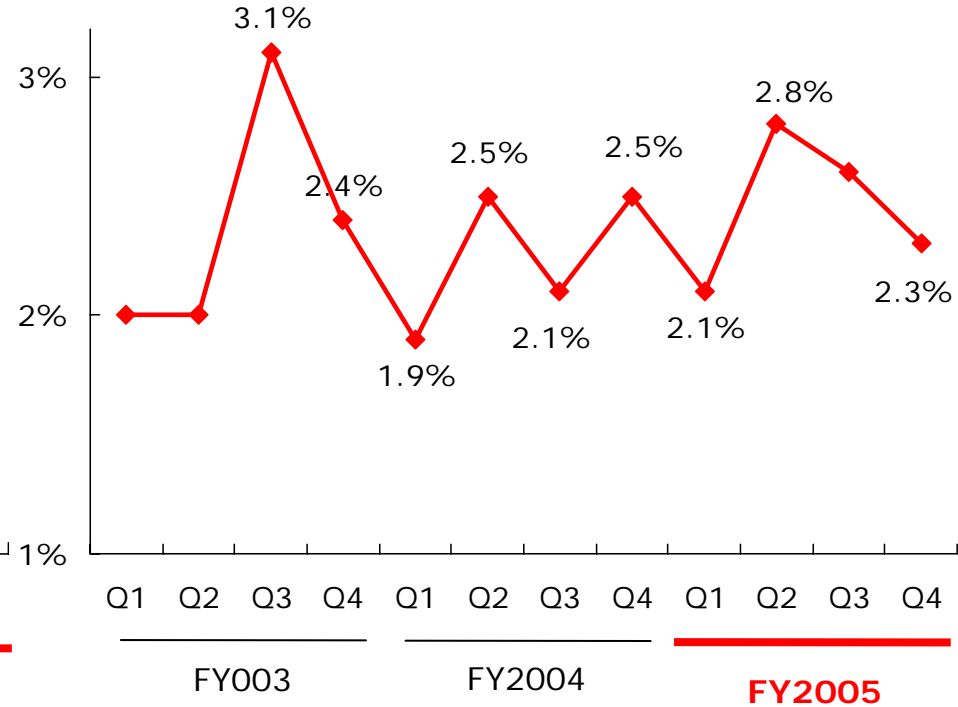
Churn rate

Churn rate gradually decreased



Upgrade rate

Upgrade rate remained broadly stable

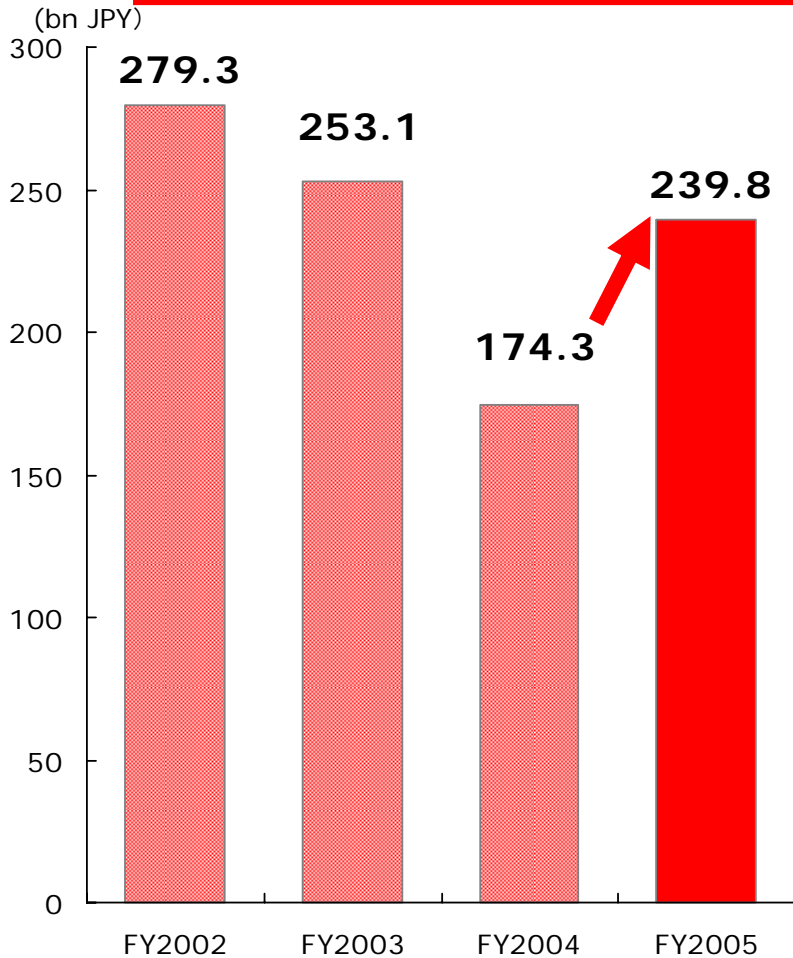


■ Acquisition incentive per gross add: 45,000JPY (FY2005)

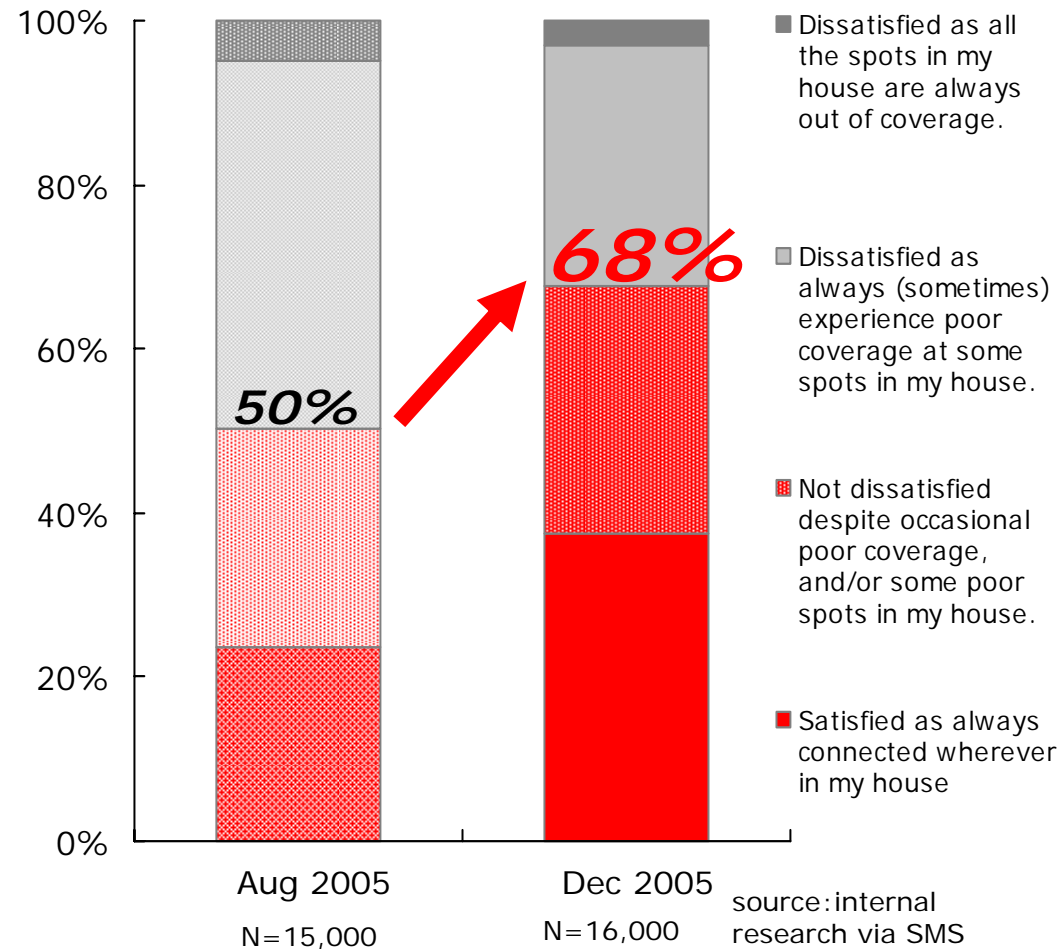
3G network enhancement

Customers feel better "quality of connectivity" due to increased investment in the 3G network

CAPEX (fixed asset addition)

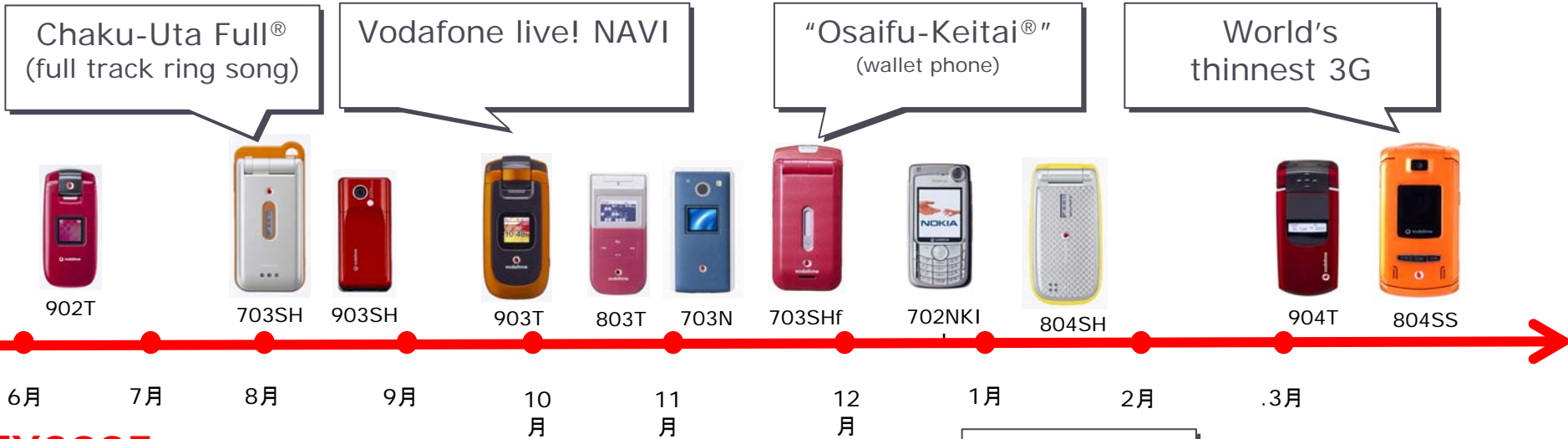


Customer satisfaction with 3G network



Enrichment of 3G HS portfolio

Expanded line-up of 3G handsets, with largely enriched functions



FY2005

FY2006





Now a member of
SOFTBANK Group

Now a member of SOFTBANK Group

- 4/27 Completed Acquisition
- 4/28 Appointment of new CEO
- 5/1 ~ Started operations in Tokyo
Shiodome Bldg.

- 5/18 Announced
new brand

(Time of change: October 1)

[New Company Name]

SOFTBANK MOBILE Corp.

[New Logo]

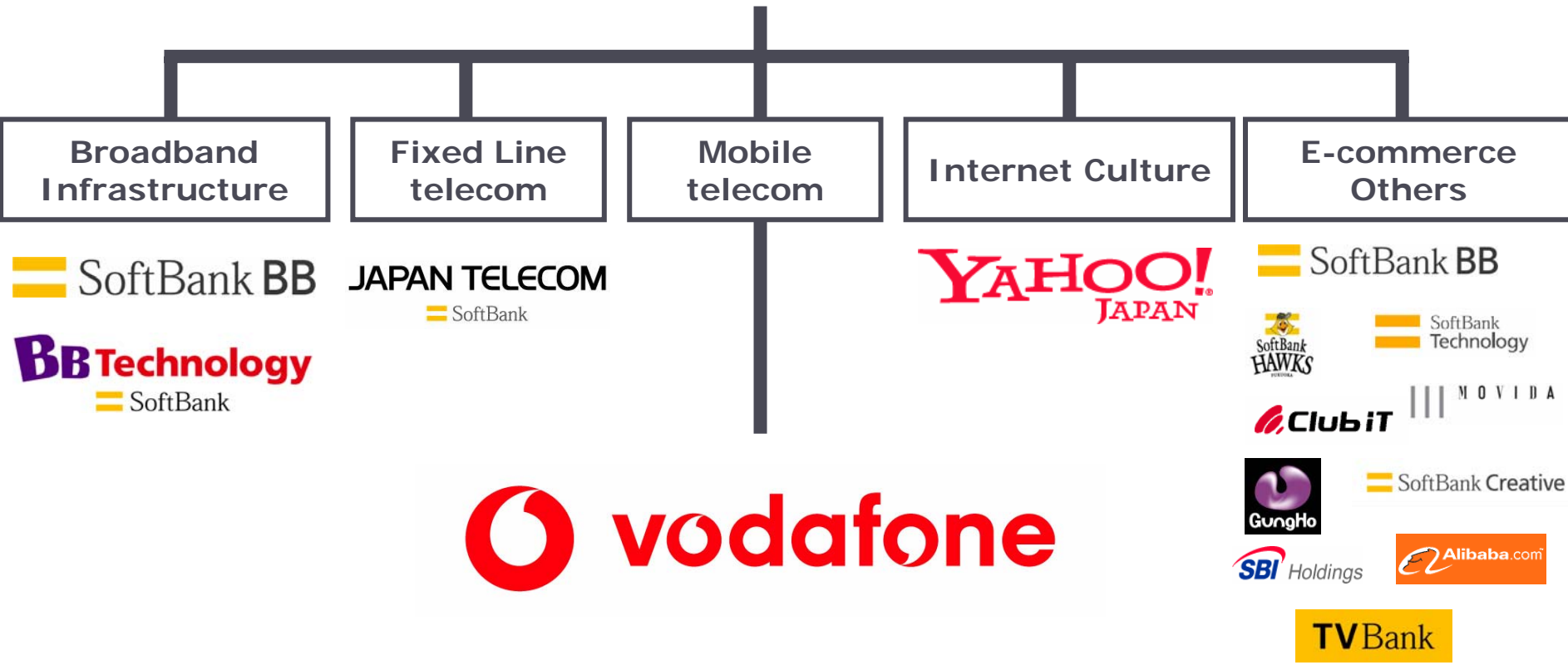
 **SoftBank**

[New brand]

SOFTBANK

*BB Mobile Corp. acquired 99.54% of the total issued shares of Vodafone K.K.

SOFTBANK Group organization after acquisition of Vodafone K.K.



Synergies of Vodafone K.K. and SOFTBANK Group

Network

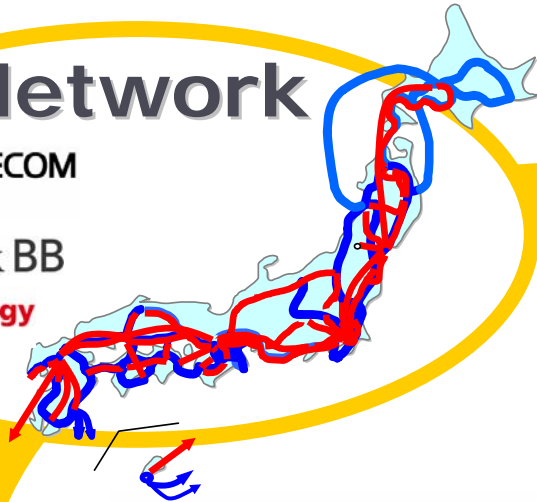
JAPAN TELECOM

SoftBank

SoftBank BB

BBTechnology

SoftBank



Sales channels

Mass Appliance
Retailers



Internet



Customers

Number of lines: over 10m

JAPAN TELECOM

SoftBank

YAHOO! BB
JAPAN Broadband

Content



4 commitments

**1. 3G network
enhancement**

**2. 3G handset
enrichment**

**3. Content
enhancement**

**4. Strengthen
sales structure/
branding**



SoftBank

Thank you very much for your attention

Vodafone K.K.

Forward-looking statements

This presentation contains certain forward-looking statements concerning the operations and strategy of Vodafone K.K. and its subsidiaries (collectively, "Vodafone Japan Group") and its expectations concerning its financial and operating results; such as expectations for trends in the Japanese fixed-line and wireless telecommunications markets and capital expenditure. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: changes in economic conditions that would adversely affect demand for Vodafone Japan Group's services; greater than anticipated competitive activity; slower customer growth or reduced customer retention; the impact on capital spending from investment in network capacity and the deployment of new technologies, including 3G technology; the possibility that technologies will not perform according to expectations or that vendors' performances will not meet Vodafone Japan Group's requirements; changes in projected growth rates in the wireless telecommunications industry; the accuracy of and any changes in Vodafone Japan Group's projected revenue models; future revenue contributions of data services offered by Vodafone Japan Group; Vodafone Japan Group's ability to successfully introduce new services, in particular 3G services, and the delivery and performance of key products; changes in the regulatory framework in which Vodafone Japan Group operates; and the impact of legal or other proceedings involving Vodafone Japan Group or other companies in the telecommunications industry. All written or verbal forward-looking statements attributable to Vodafone Japan Group or persons acting on its behalf made in this presentation or subsequent hereto are expressly qualified in their entirety by the factors referred to above.