

Financial results for 3Q FY2011 (ending June 30, 2011)



Voltage Inc.
May 11, 2011

(TSE Mothers Securities Code: 3639)

- I. Results of earnings for 3Q FY2011**
- II. Measures to be taken in 4Q FY2011**

I. Results of earnings for 3Q FY2011

Summary of 3Q FY2011

1 Net sales up 40% y-o-y, operating income up 50% y-o-y

- Net sales: ¥4,630 million (up 40% y-o-y); operating income: ¥680 million (up 50% y-o-y)
- Operating margin rose to 14.9% (from 13.0% in 2Q) as income covered the investments in social apps

2 Sales of 2nd generation social apps were strong; Distributing 3 titles

- 2nd generation “Darling”, “Jijo” and “Dokyo” were one step higher in earnings
- Distributing also for Mobage in addition to GREE and mixi. Two titles adopted the monthly-fee course for GREE

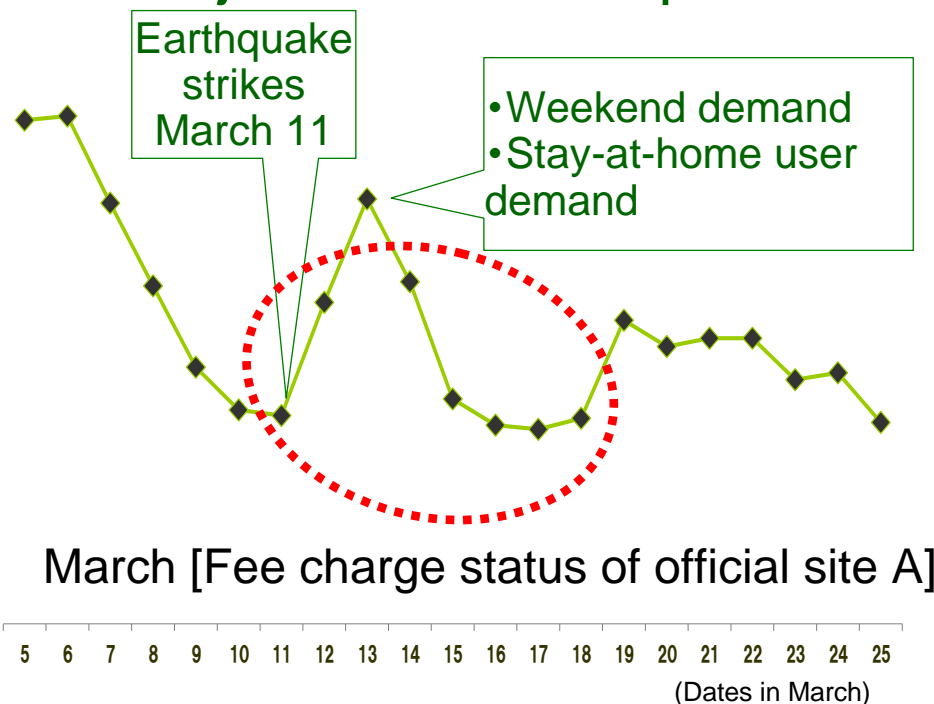
3 New series launched. Social apps-version topped monthly sales of ¥50 million

- The new series targets working females of ages around 30
- The first round of “Jijo” (social apps-version launched in January) was ranked 2nd

Great East Japan Earthquake: Effects on Earnings Results and Recovery Support

Effects on Earnings Results

User access slightly declined right after the earthquake, but subsequently recovered. No major effect at the present.



Recovery Support

1. Donation through “charity standby screen” sales (official sites)
From users: ¥2.52 million
2. Relief fund donation from Voltage
¥3 million
3. Cooperated in GREE “charity item”(social apps)
From users: ¥3.87 million



[Charity standby screen]

Summary

Net sales up 40%

Operating income up 50%!

[Millions of Yen]

	3Q FY2011	% to Net Sales	Y-o-Y Change	3Q FY2010
Net sales	4,632	100.0%	40.4%	3,299
Cost of Sales	1,017	22.0%	27.7%	796
S,G&A expenses	2,927	63.2%	43.2%	2,044
Operating income	687	14.9%	50.2%	458
Ordinary income	684	14.8%	49.9%	456
Net income	400	8.6%	44.3%	277

Operating Margin

Operating margin was 14.9% as sales covered investments

	3Q FY2011	% to Sales	2Q FY 2011	% to Sales	2Q to 3Q Change
Net sales	4,632	100.0%	2,875	100.0%	61.1%
Cost of Sales	1,017	22.0%	650	22.6%	56.5%
Labor cost	367	7.9%	242	8.4%	51.5%
Outsourcing cost	309	6.7%	191	6.7%	61.8%
Other costs	339	7.3%	216	7.5%	57.2%
S,G&A expenses	2,927	63.2%	1,851	64.4%	58.1%
Advertising expenses	1,311	28.3%	880	30.6%	49.0%
Sales commission	828	17.9%	459	16.0%	80.2%
Other	786	17.0%	511	17.8%	53.9%
Operating income	687	14.9%	374	13.0%	83.9%

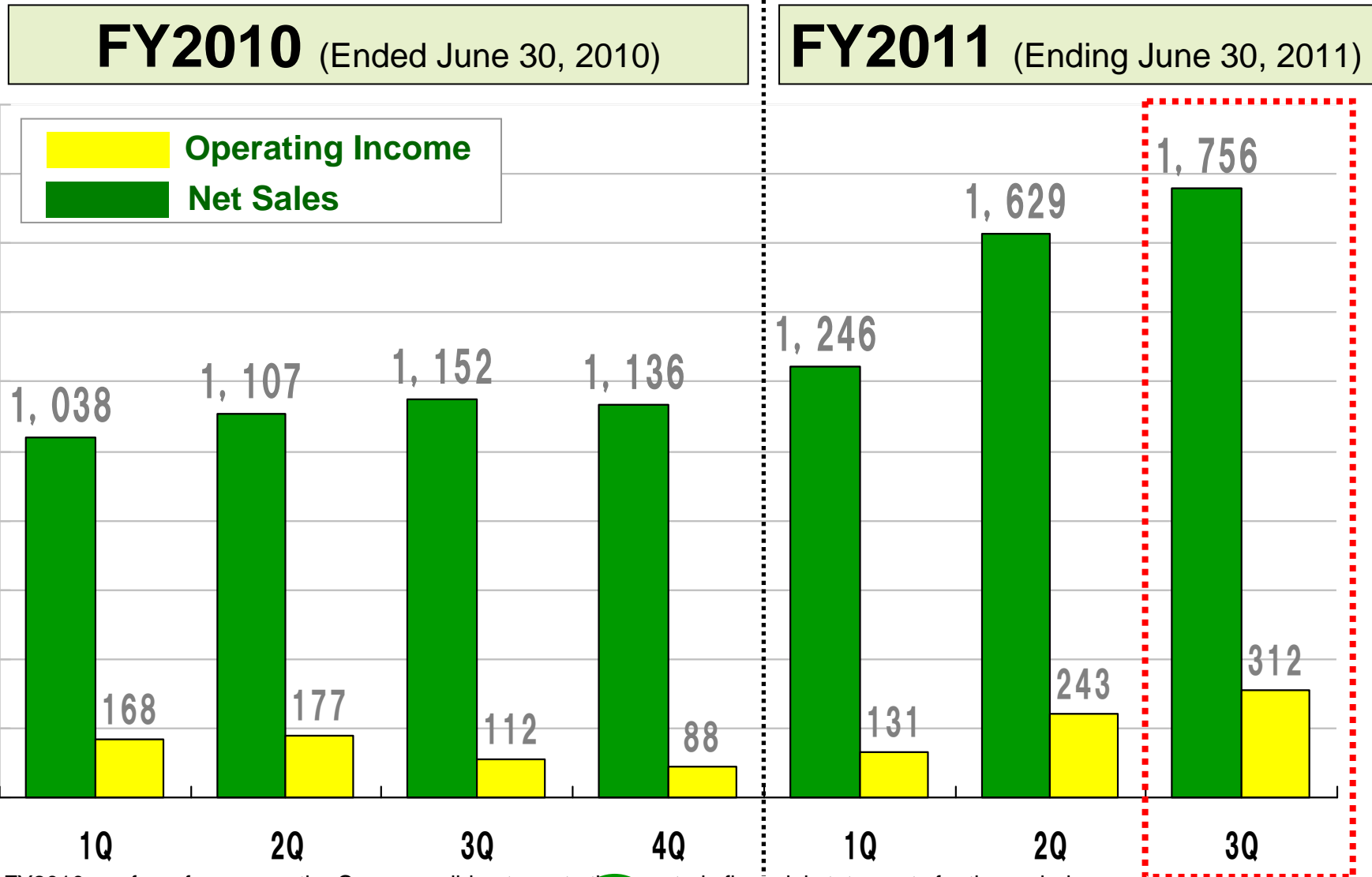
[Millions of Yen]

[Positive factor]
No significant increase in staff despite the 60% growth in net sales

[Positive factor]
Decrease in the ratio of advertising expenses against net sales

Quarterly Net Sales and Operating Income

(Millions of Yen)



* Figures for 1Q FY2010 are for reference as the Company did not create the quarterly financial statements for the period.

Net Sales by business segment

Mobile content business up 46%

[Millions of Yen]

	3Q FY2011	Y-o-Y Change	3Q FY2010
Net Sales	4,632	40.4%	3,299
Mobile content business	4,407	46.0%	3,019
Mobile commerce business	201	18.4%	170
Other businesses*	23	-78.9%	110

[Social apps]

- Continuous steady increase in net sales
- Improvement in operating margin

[Official sites]

- Cut in mobile advertisements
- Sales remain flat

*In 4Q, shifted advertisements to TV commercials. Sales are on an upward trend.

* Net sales of "Other businesses" include net sales of the mobile advertising business from which the Company withdrew on June 30, 2010.

Breakdown of Sales • Advancement of Social apps

FY2010 (Ended June 30, 2010)

FY2011 (Ending June 30, 2011)

Structure of social apps games has been advanced to 2nd generation

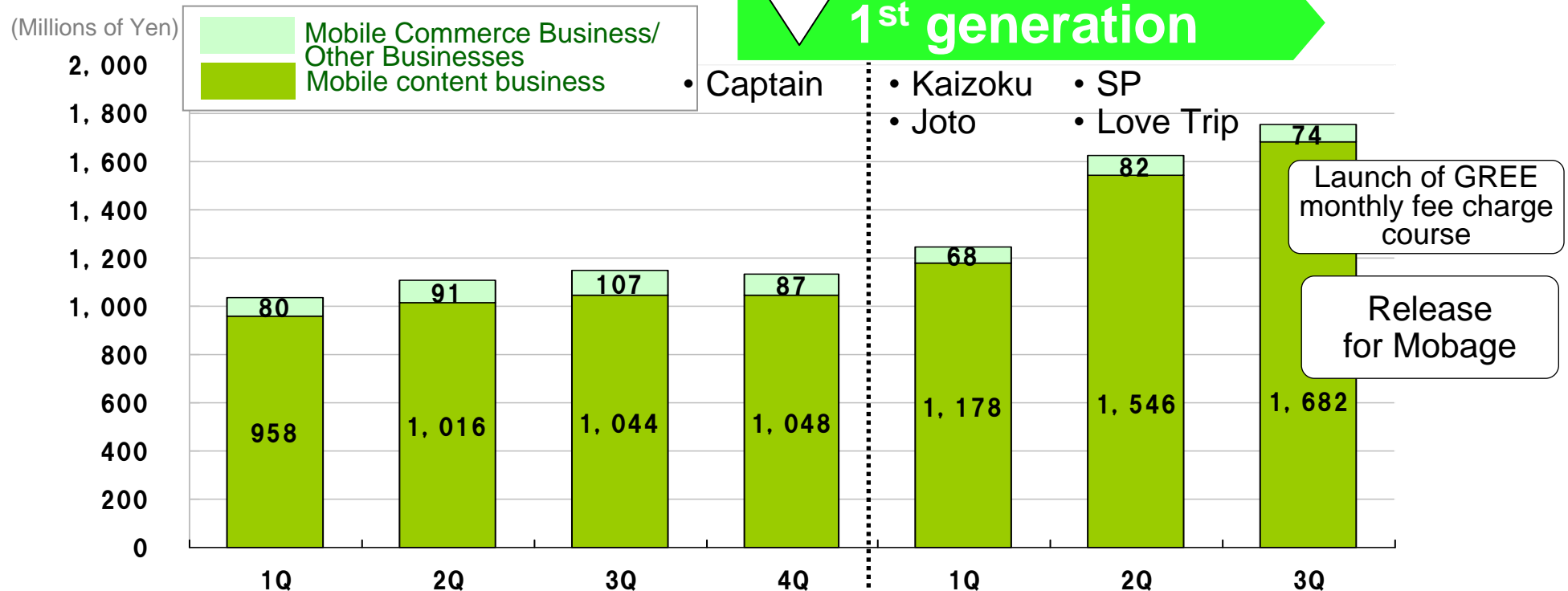
2nd generation

- Darling
- Jijo
- Dokyo

Launch of social apps

1st generation

- Captain
- Kaizoku
- SP
- Joto
- Love Trip



* Net sales of other businesses decreased, due to the withdrawal from the Mobile advertising business.

* Figures for 1Q FY2010 are for reference as the Company did not prepare quarterly financial statements for the period.

Social apps • Official site Ranking

Social apps: 2nd generation apps are going strong

Official sites: Top-ranked sites continue to monopolize

Social apps

[GREE game ranking for females]

Date surveyed: April 27, 2011

Ranking	Application Name
1	DRAGON COLLECTION
2	Darling wa Geinojin for GREE
3	COORDE MANIA
4	Kichijoji☆Koiiro Days for GREE
5	Love&Job! Otona no Jijo for GREE
6	Bokuno Restaurant 2
7	Omiseyasari for GREE
8	Onmyoji~Heian Yokitan~
9	Koibito wa Dokyonin for GREE
10	Hakuoki ~Shinsengumi Kitan~
11	Girls Collection
12	Daikanyama Secret LOVE
13	Pro Baseball Dream Nine
14	Hoshizora Bar Town for GREE
15	Kimito Naishono...Kyokara Kareshi
16	Koishite Kyabaja
17	Koi ni Ochita Kaizokuo for GREE
18	Chokotto Farm
19	Keiji Tachiga Kureta Koi
20	Koibito wa SP for GREE

2nd generation

1st generation

Launched in 4Q

Launched in 3Q

Launched in 3Q

Launched in 3Q

Launched in 3Q

Launched in 3Q

Official sites

[i-mode ranking by category] Compiled March 1 to 31, 2011

Romantic Games

Ranking	Site Name
1	Nemuranu Machino Cinderella
2	Koibito wa Senzoku SP
3	Ojisama no Propose
4	Kichijoji Koiiro Days
5	Shonan Hatsukare Diary
6	Kaito X Koi no Yokokujo
7	Shugaku Ryoko Naisho no Koi
8	Koi ni Ochita Kaizokuo
9	Shanai Ren-ai Futari no Himitsu
10	Akuma to Koisuru 10 Days
11	Otomate Mobile
12	Room Share Sugao no Kare
13	Tenka Toitsu Koi no Ran
14	Tokubetsu Sosa Micchaku 24-ji
15	Ren-ai Joto! Ikemen Gakuen
16	Senzoku Hisho Otonano Koi
17	Koibito wa Dokyonin
18	Mafia na Darling
19	Time Slip Koi no Kiseki
20	Koibito wa Furyo Tenkosei

(Total of 174 sites)

Stories

Ranking	Site Name
1	100 Scene no Koi
2	Denshi Shoten PAPYLESS
3	Keitai Shoseki Review tsuki
4	BIGLOBE Keitai Shoten
5	Dokodemo Dokusho

(Total of 46 sites)

Simulation

Ranking	Site Name
1	Darby Stallion
2	Nobunaga's Ambition
3	Romance of the Three Kingdoms
4	Darling wa Geinojin
5	Densha de GO!

(Total of 62 sites)

: Voltage Inc.

“Love & Job!” Series

Released a new series for working females aged around 30

Target age groups
for new and existing series

Captured ages 30-49 to double
the target population



1st round of the new series

Launched “Otona no Jijo” for social apps in January



- Ranked 2nd in only the third week of release
- A hit title with monthly sales topping ¥50 million

[GREE game ranking for females] Date surveyed: February 2, 2011

Ranking	Application Name
1	DRAGON COLLECTION
2	Love&Job! Otona no Jijo for GREE
3	Darling wa Geinoin for GREE
4	Omiseyasan for GREE
5	COORDE MANIA
6	Hakuoki ~Shinsengumi Kitan~
7	Koini Ochita Kaizokuo for GREE
8	Bakumatsushiki no Ren-ai Jijo for GREE
9	Koibito wa Senzoku SP for GREE
10	Shibuya Love Trip for GREE

■: Voltage Inc.

Balance Sheet / Cash Flow Statement

[Millions of Yen]

	End of 3Q FY2011	End of FY2010	Change
Current assets	2,539	2,014	26.1%
Non-current assets	324	268	20.9%
Total assets	2,863	2,283	25.4%

Current liabilities	975	752	29.5%
Non-current liabilities	14	44	-66.6%
Total liabilities	989	796	24.3%
Shareholders' equity	1,874	1,486	26.1%
Total net assets	1,874	1,486	26.1%

Total liabilities and net assets	2,863	2,283	25.4%
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[Millions of Yen]

	End of 3Q FY2011	End of 3Q FY2010
Net cash provided by (used in) operating activities	226	293
Net cash provided by (used in) investment activities	-116	-99
Net cash provided by (used in) financing activities	-72	-81
Net increase (decrease) in cash and cash equivalents	37	112
Balance of cash and cash equivalents at the end of the quarterly period	933	387

II. Measures to be taken in 4Q FY2011

Summary of Measures to be Taken in 4Q



Use the incremental income earned to start off FY2012. Full-year projections to be left unchanged.

1

All social apps to be upgraded to 2nd generation
Also start work on 3rd generation

- Planning to release two new 2nd generation titles. “Koiro Days” was already released in April.
- Aim for further income and start work on 3rd generation for launch in 1Q FY2012.

2

Approach for official sites:
TV commercials X increase in earnings per customer

- Launched TV commercials nation-wide in April.
The number of attracted customers as planned. To be aired regularly.
- Aim to increase monthly earnings per customer by strengthening individual fee-based items, in addition to fostering loyalty and encouraging long-term subscribers.

3

Smartphone apps: Release new series and launch apps
for the North American market

- Released the new title “Jijo” for smartphones in May. Off to a favorable start.
- Planning to release one English-version title for North American market in 1Q FY2012.

Earnings Forecast

Full-year projections to be left unchanged

[Millions of Yen]

	3Q FY2011	FY2011 Full-Year Projections	Progress %	Full- Year FY2010
Net sales	4,632	6,270	73.9%	4,436
Cost of sales	1,017	1,523	66.8%	1,073
S,G&A expenses	2,927	3,998	73.2%	2,816
Operating income	687	748	91.9%	546
Ordinary income	684	747	91.5%	543
Net income	400	427	93.6%	328
Net income per share (yen)	91.08	96.88	—	* 86.16

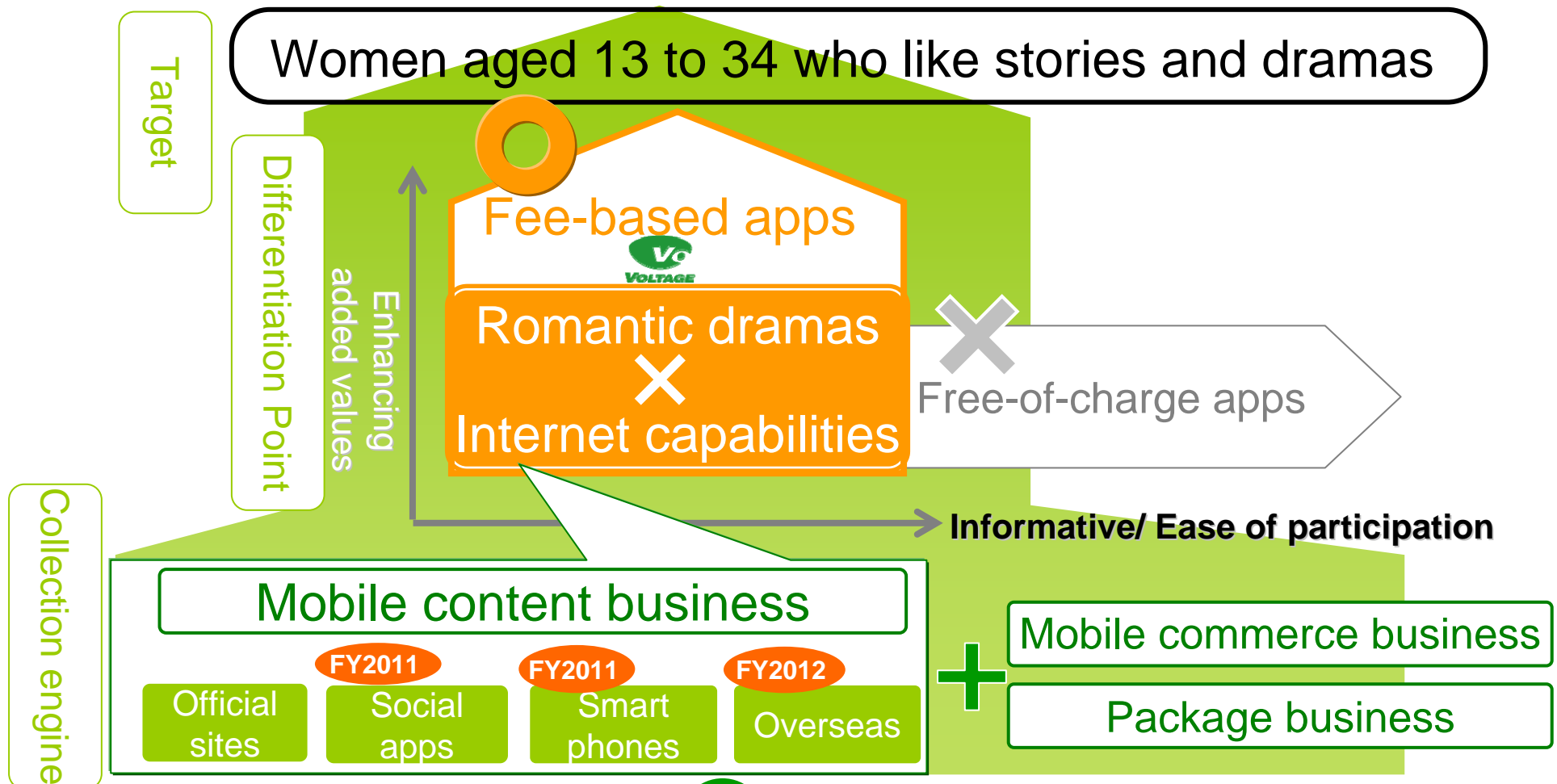
Use incremental income to start off FY2012

- [Social apps]
 - Development cost for upgrading the game structure to 3rd generation
- [Official sites]
 - Create individual fee-based items to air TV commercials regularly
- [Smartphone apps]
 - Development cost for launching the English-version for North America

* Net income per share for FY2010 was revised retroactively by incorporating the effect of the one-to-three share split implemented effective January 1, 2011.

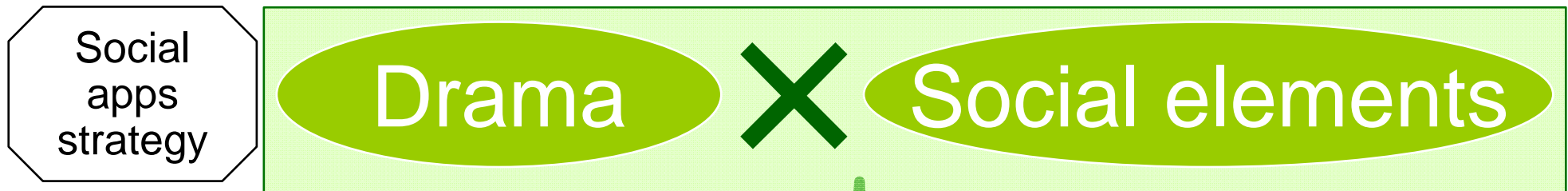
Medium-Term Management Strategy (Confirmation)

Concentrate management resources in “Koibito Game” and “Love & Job!” series!
 Diversify the source of revenue: “Official sites” + “Social apps & Smartphone apps”



Direction for Social Apps

Upgrade all social apps to 2nd generation
Start working on 3rd generation



1st generation
Focus on
conversations

- Captain
- Kaizoku
- Joto
- SP
- Love Trip



2nd generation
Focus on
stories

- Darling
- Jijo
- Dokyo

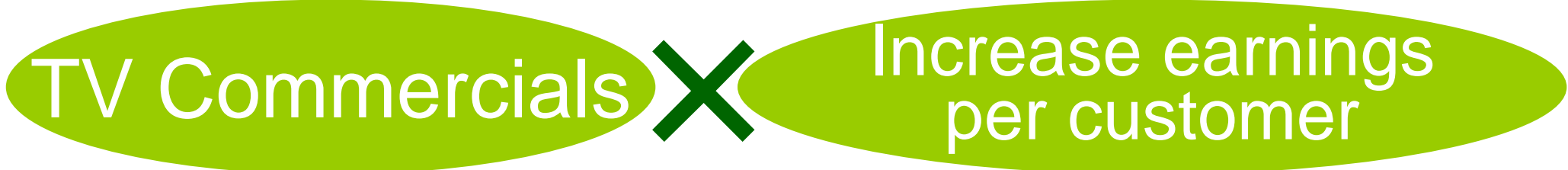


4Q

3rd generation
??? ? ?

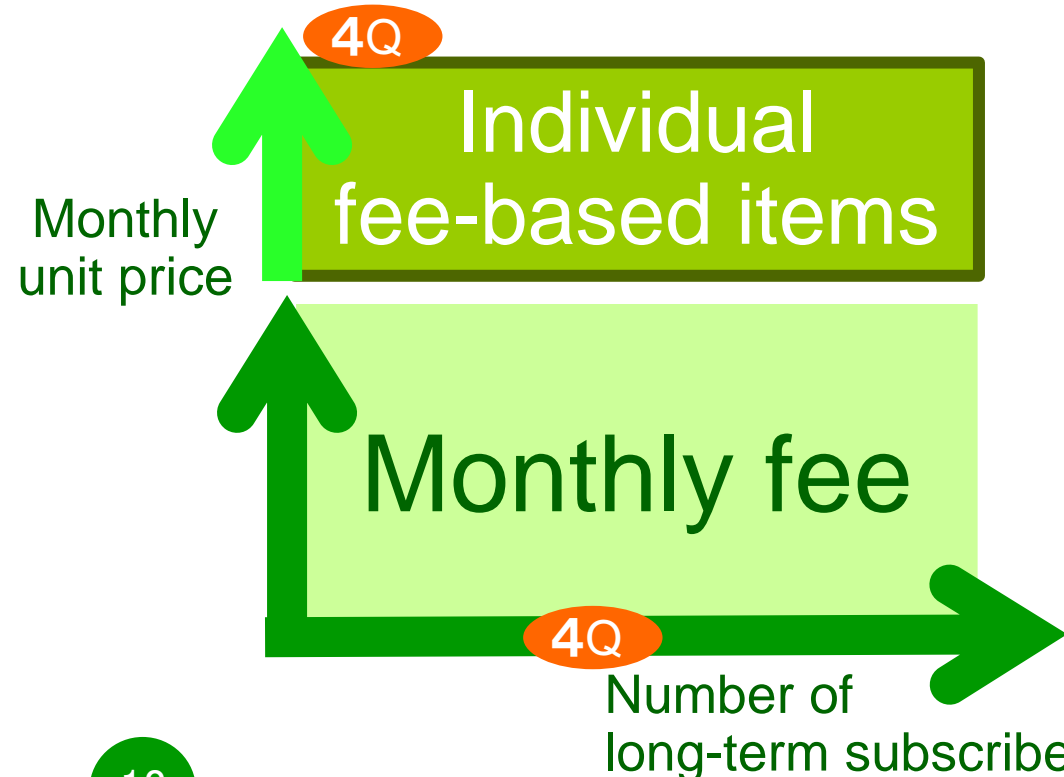
1Q FY2012
Plan for release

Direction for Official sites



- To be aired regularly in FY2012

- Encourage long-term subscribers
- Strengthen individual fee-based items



Direction for Smartphone apps

Focus on new series and the release for North America.
Also release Koibito Game (social apps version) in FY2012.

Roll out for Smartphone

Electronic books

Koibito Game

New series

4Q

North America

Official site

Social apps

Official site

Social apps

“100 Scene no Koi”
Released in October 2010
For iPhone

“Ren-ai Joto”
Released in October &
November 2010
For Android

“Love&Job! Otona no Jijo” for GREE
Released in May 2011
For iPhone・Android



FY2012
Plan for release

4Q



1Q FY2012
Plan for release

Return to Shareholders

We will return profits to our shareholders through dividend payments while securing retained earnings for the future business development and the strengthening of management culture.

<FY2011>

**Commemorative
dividend**

**15 yen
per share**

* Paid based on the results as of December 31, 2010. The amount does not reflect the 1-to-3 share split implemented effective January 1, 2011.

**Year-end
dividend
projection**

**18 yen
per share**

<FY2012 and beyond>

**Year-end
dividend**

Considering distributing once-a-year year-end dividend, as a general rule

Contact for Inquiries

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[Contact for Inquiries]

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