

Financial Results for FY2011

(Year ended June 30, 2011)



Voltage Inc.
August 25, 2011

TSE 1st. Section Securities Code: 3639

I. Results for FY2011

II. Forecast and Strategies for
FY2012

I. Results for FY2011

Summary of Results for the Fiscal Year ended June 30, 2011

1

Net sales and operating income up 40% y-o-y, also exceeded plan

- Net sales: ¥6,340 million (up 43% y-o-y); operating income: ¥760 million (up 40% y-o-y)
- Operating margin was comparable to the previous year at 12%, as income covered the investments in social apps.

2

2nd generation social apps remained favorable; grown to become the No. 2 segment

- The 2nd generation “Love & Scandal”, “Turning Point-Love & Career”, and “High School Love Rumble The Total Experience” marked further growth in profitability.
- The first round of the new series for females around age 30 “Turning Point-Love & Career” continues to be favorable.

3

Completed launch of new business areas, “Smartphones” and “Commercials”

- Distributing Romance Sims “High School Love Rumble” and “Pirates in Love” and E-book “100 Loves Scenes” for smartphones.
- TV commercial for the “Betsukare” campaign is aired nationwide; achieving results as expected.

Summary

Both net sales and operating income up 40% y-o-y, also exceeded plan

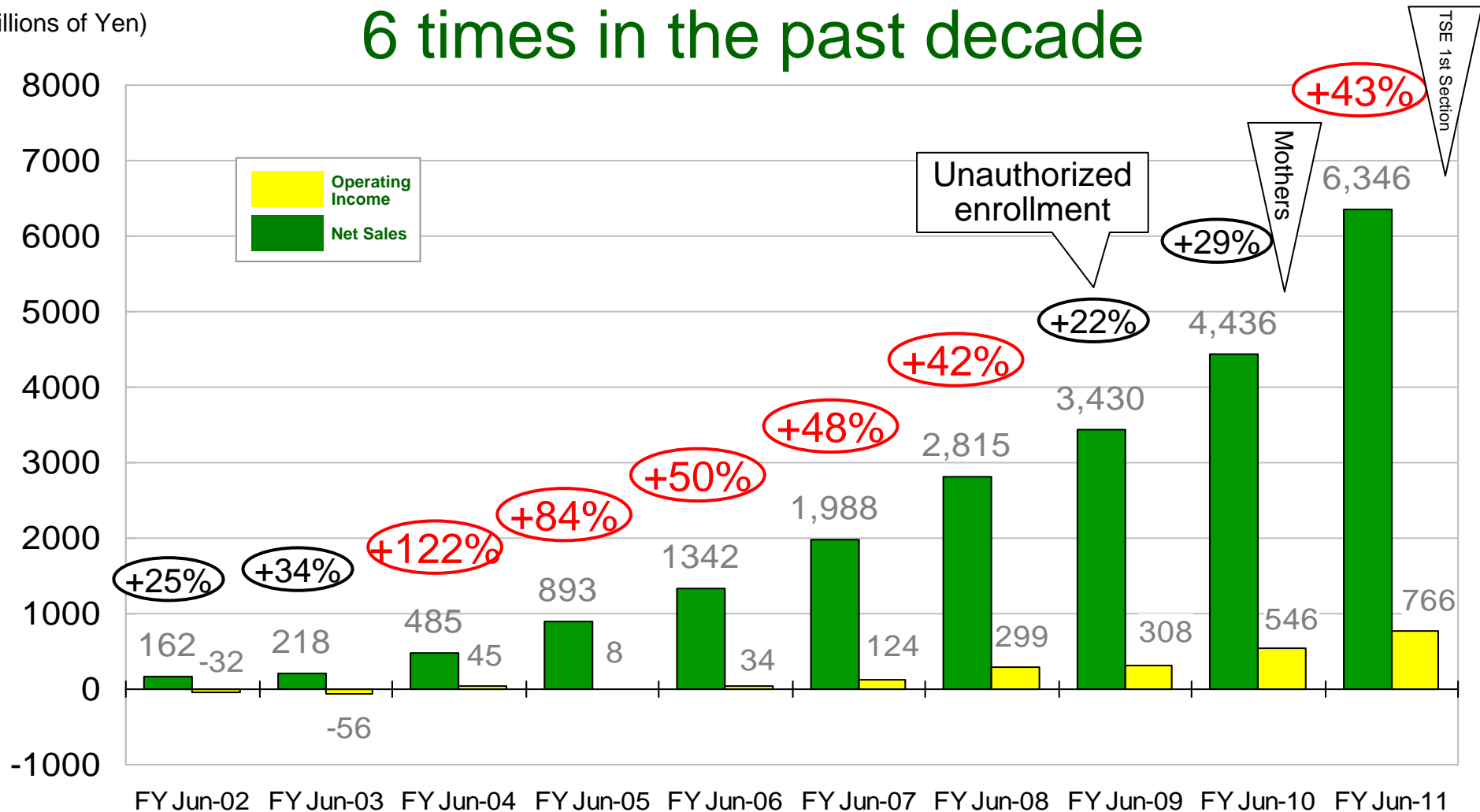
[Millions of Yen]

	FY2011 (Ended June 30, 2011)	% to Net Sales	Plan	Y-o-Y Change	FY2010 (Ended June 30, 2010)
Net sales	6,346	100.0%	6,270	43.1%	4,436
Cost of Sales	1,415	22.3%	1,523	31.9%	1,073
S,G&A expenses	4,164	65.6%	3,998	47.9%	2,816
Operating income	766	12.1%	748	40.2%	546
Ordinary income	761	12.0%	747	40.0%	543
Net income	444	7.0%	427	35.2%	328

Yearly Trends in Net Sales and Operating Income

40% Growth in net sales marked 6 times in the past decade

(Millions of Yen)



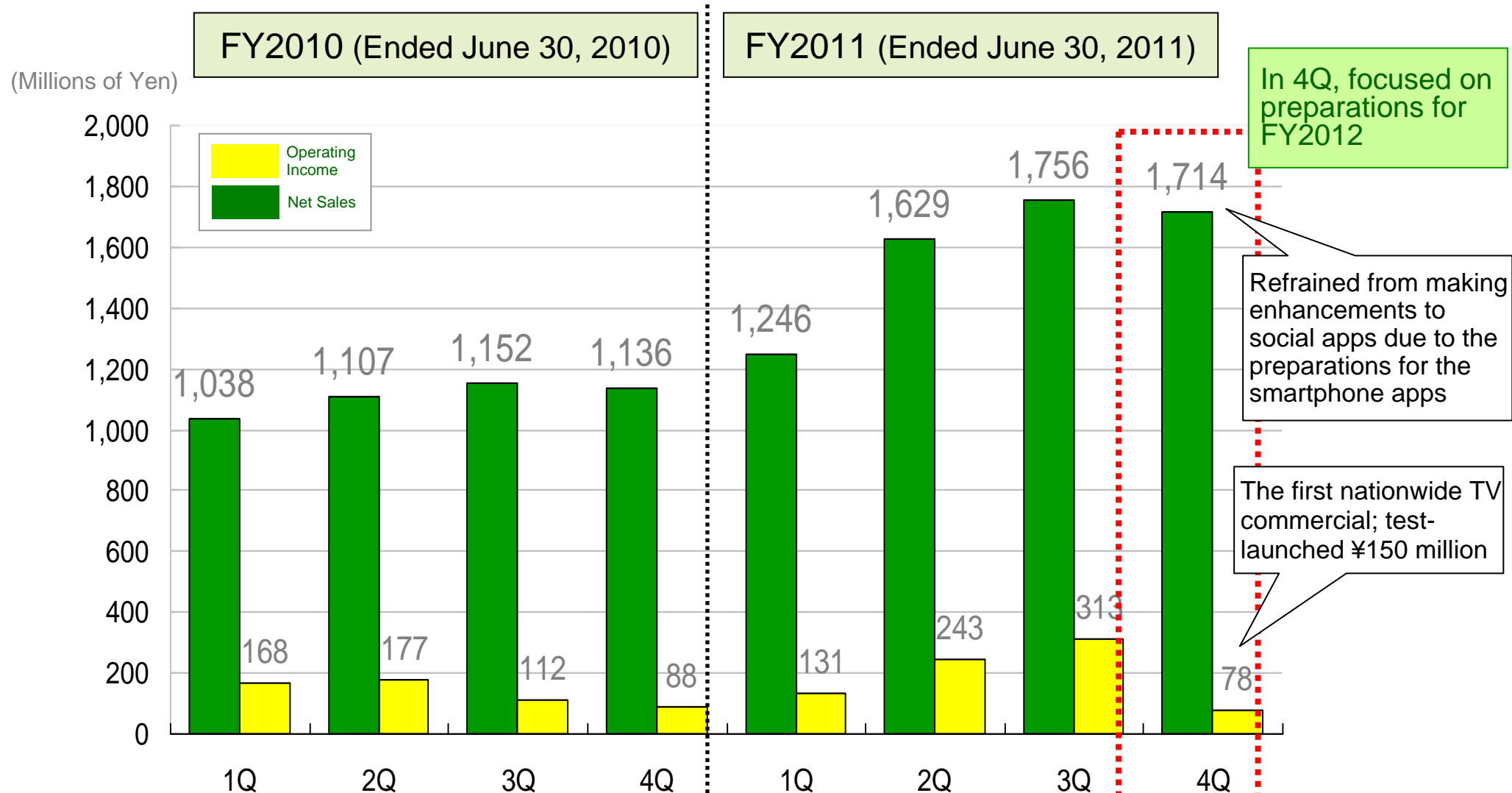
*Figures for and prior to FY June-2007 have not been audited.

Operating Margin

Operating margin was maintained at the 12% level, as income covered investments in social apps

	FY2011 (Ended June 30, 2011)	% to Net Sales	Change in % to Net Sales	FY2010 (Ended June 30, 2010)	% to Net Sales	[Millions of Yen]
Net sales	6,346	100.0%	-	4,436	100.0%	
Cost of Sales	1,415	22.3%	- 1.9pt	1,073	24.2%	
Labor cost	501	7.9%	- 3.5pt	507	11.4%	[Positive factor] Down despite the development of social apps
Outsourcing cost	435	6.9%	- 1.5pt	368	8.3%	
Other costs	478	7.5%	3.1pt	197	4.5%	
S,G&A expenses	4,164	65.6%	2.1pt	2,816	63.5%	
Advertising expenses	1,871	29.5%	- 3.8pt	1,474	33.2%	[Positive factor] Down despite the submission of TV commercials
Sales commission	1,180	18.6%	8.3pt	455	10.3%	[Negative factor] Increase in commission payments for SNS platforms
Other	1,112	17.5%	- 2.5pt	886	20.0%	
Operating income	766	12.1%	- 0.2pt	546	12.3%	

Quarterly Net Sales and Operating Income



* 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

Core mobile content business marked growth of 49% y-o-y

[Millions of Yen]

	FY2011 (Ended June 30, 2011)	Y-o-Y Change	FY2010 (Ended June 30, 2010)
Net Sales	6,346	43.1%	4,436
Mobile content business	6,051	48.8%	4,068
Mobile commerce business	262	14.9%	228
Other businesses*	31	- 77.3%	139

[Social apps]
• Rapid growth in sales
[Official sites]
• Sales maintained despite market shrinkage

* 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 (Ended June 30, 2011)

Structure of social apps advanced to 2nd generation for enhanced profitability

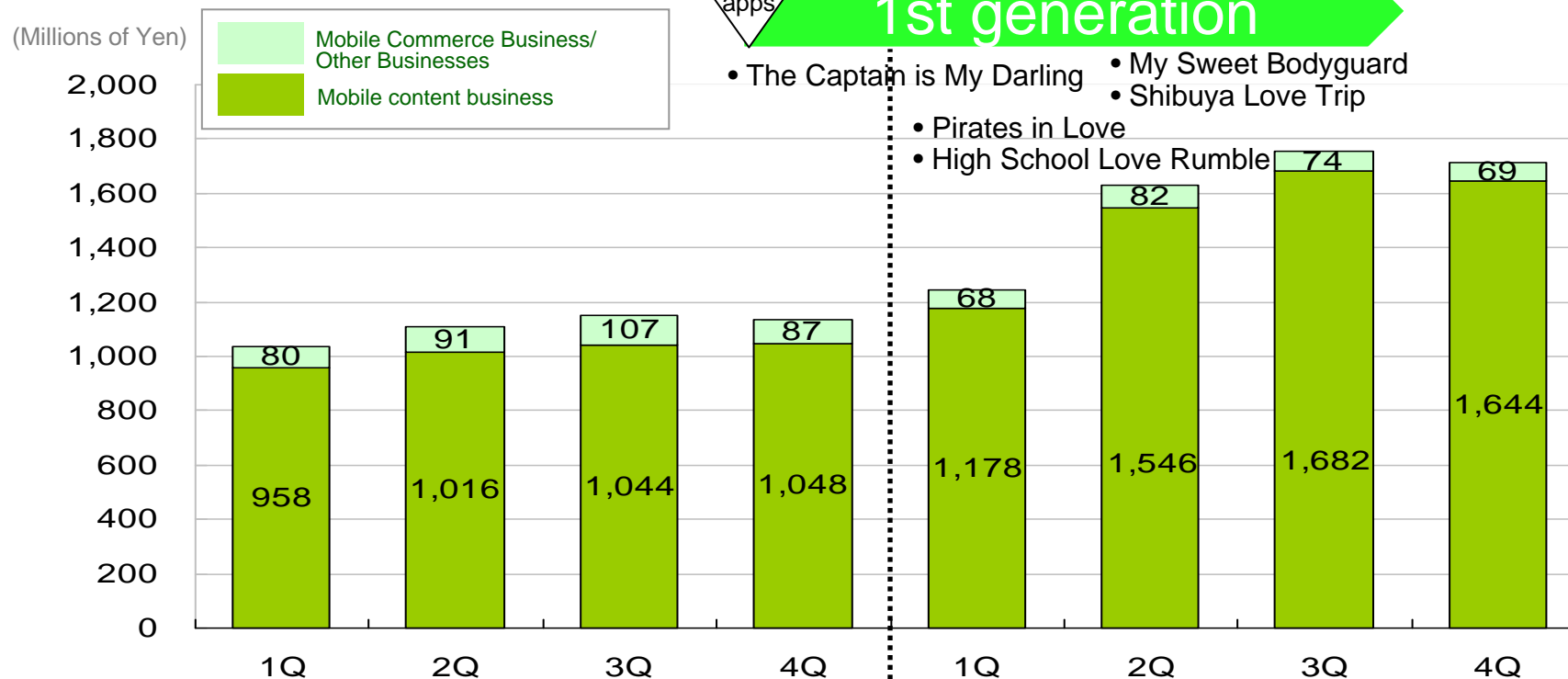
2nd generation

- Love & Scandal
- Turning Point-Love & Career
- Home Sweet Home
- Kichijoji Days of Love
- High School Love Rumble
- The Total Experience

1st generation

Launch of social apps

- The Captain is My Darling
- My Sweet Bodyguard
- Shibuya Love Trip
- Pirates in Love
- High School Love Rumble



* 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 / Carrier Official site Ranking

Social apps: 2nd generation apps are going strong

Carrier Official sites: Top-ranked sites continue to monopolize

Social apps

Carrier Official sites

[GREE game ranking for females] Date surveyed: August 1, 2011

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

Ranking	Application Name
1	DRAGON COLLECTION
2	Love & Scandal for GREE
3	Bokuno Restaurant 2
4	Girls Collection
5	Omiseyasan for GREE
6	High School Love Rumble The Total Experience
7	Pro Baseball Dream Nine
8	Delicious★Kiss~Riso no Koibito~
9	Chokotto Farm
10	Onmyoji~Heian Yokitan~
11	Turning Point-Love & Career
12	COORDE MANIA
13	Kichijoji Days of Love for GREE
14	Pirates in Love for GREE
15	Bio Hazard Outbreak Survive
16	Ninkyodo
17	Pop Tower for GREE
18	Koishite Kyabajo
19	Bikkuriman
20	Gijin Kareshi

Won GREE Platform's the most excellent romantic games award for the first half of 2011

Launched in 4Q

Launched in 4Q

2nd generation

1st generation

Romantic Games

Ranking	Site Name
1	Seduced in the Sleepless City
2	My Sweet Bodyguard
3	Suddenly, Wedding Kiss
4	Kichijoji Days of Love
5	A Prince's Proposal
6	Love Letter from Thief X
7	Office Romance Secret Love
8	First Love Diary by the Sea
9	Otomate Mobile
10	Pirates in Love
11	School Trip Secret
12	Sweet Campus Days
13	Dating the Devil
14	Roommate
15	Special Investigation Team
16	Samurai Hearts
17	High School Love Rumble
18	Exective Secretary
19	Home Sweet home
20	Turning Point-Love & Career

Launched in 1Q FY2011

Launched in 4Q

Launched in 4Q

(Total of 174 sites)

Stories

Ranking	Site Name
1	100 Love Scenes
2	Denshi Shoten PAPYLESS
3	BIGLOBE Keitai Shoten
4	Dokodemo Dokusho
5	Ehara Hiroyuki Keitai Bunko

(Total of 42 sites)

Simulation

Ranking	Site Name
1	Darby Stallion
2	Nobunaga's Ambition
3	Romance of the Three Kingdoms
4	Love & Scandal
5	Densha de GO!

(Total of 61 sites)

: Voltage Inc.

New Releases in the Fiscal Year Ended June 30, 2011

Social apps

Romance Sims



Love & Job



10 titles including 1 for smartphones

Smartphone

Carrier Official sites

Romance Sims



Love & Job



Electronic Books



Smartphone

No.1 sales in the entertainment category of App Store (As of August 15)

12 titles including 3 for smartphones

Smartphone

Smartphone

Balance Sheet / Cash Flow Statement

[Millions of Yen]				[Millions of Yen]			
	End of FY2011 (June 30, 2011)	End of FY2010	Y-o-Y Change		FY2011 (Ended June 30, 2011)	FY2010	
Current assets	3,562	2,014	76.9%	Net cash provided by (used in) operating activities	428	420	
Non-current assets	334	268	24.6%	Net cash provided by (used in) investment activities	-134	-112	
Total assets	3,897	2,283	70.7%	Net cash provided by (used in) financing activities	820	313	
Current liabilities	1,068	752	42.0%	Net increase (decrease) in cash and cash equivalents	1,114	621	
Non-current liabilities	6	44	-86.4%	Balance of cash and cash equivalents at the end of the quarterly period	2,010	896	
Total liabilities	1,074	796	34.9%				
Shareholders' Equity	2,822	1,486	89.9%				
Total net assets	2,822	1,486	89.9%				
Total liabilities and net assets	3,897	2,283	70.7%				

Increase primarily due to the issuance of new shares for the change to the 1st section of the Tokyo Stock Exchange

II. Forecast and Strategies for FY2012

Summary of Measures for the Fiscal Year ending June 30, 2012

1

Enhance profitability of social apps in 2nd and 3rd generations

- Further enhance the 2nd generation. Plan to distribute the first round of the 3rd generation this year.
- Pursue unified development of Featurephone and Smartphone apps to enhance efficiency. Smartphone

2

Expand earnings of official sites through TV commercials & increased unit price per customer

- Air commercials in normal cycles and with more weight in the first half of the year aiming to recoup the investment.
- Promote users to stay logged on for a longer time and enhance fee-based items to increase the monthly unit price per customer.
- Focus on the shift from Featurephone to Smartphone apps. Smartphone

3

In overseas, prepare for full-fledged operation by launching prototypes

- Launched the English-version “PIRATES” for iPhone distribution in July. Smartphone
- Launch several more apps to determine the business potential. Smartphone

Earnings Forecast

Full-year sales projected to increase by 23%; Operating income to increase by a conservative 4% as a result of active launch of commercials

[Millions of Yen]

	FY2012 Forecast (Year Ending June 30, 2012)		Y-o-Y Change		FY2011 (Year Ended June 30, 2011)	
	1st half	Full-Year	1st half	Full-Year	1st half	Full-Year
Net sales	3,500	7,800	21.7%	22.9%	2,875	6,346
Cost of sales	888	1,870	36.7%	32.2%	650	1,415
S,G&A expenses	2,431	5,130	31.3%	23.2%	1,851	4,164
Operating income	180	800	- 51.9%	4.4%	374	766
Ordinary income	179	798	- 52.1%	4.8%	373	761
Net income	105	472	- 51.0%	6.5%	215	444

Operating Margin

With a greater ratio of social apps in sales, projecting y-o-y change of 2.9 pt decrease in advertisements and 5.4 pt increase in sales commission against net sales

[Millions of Yen]	FY2012 Forecast (Year Ending June 30, 2012)				Change in % against Net Sales		FY2011 (Year Ended June 30, 2011)			
	1st half	% to Net Sales	Full-Year	% to Net Sales	1st half	Full-Year	1st half	% to Net Sales	Full-Year	% to Net Sales
Net sales	3,500	100.0%	7,800	100.0%	-	-	2,875	100.0%	6,346	100.0%
Cost of Sales	888	25.4%	1,870	24.0%	2.8pt	1.7pt	650	22.6%	1,415	22.3%
Labor cost	306	8.8%	643	8.2%	0.3pt	0.3pt	242	8.4%	501	7.9%
Outsourcing cost	282	8.1%	615	7.9%	1.4pt	1.0pt	191	6.7%	435	6.9%
Other costs	299	8.6%	611	7.8%	1.0pt	0.3pt	216	7.5%	478	7.5%
S,G&A expenses	2,431	69.5%	5,130	65.8%	5.1pt	0.1pt	1,851	64.4%	4,164	65.6%
Advertising expenses	1,058	30.2%	2,077	26.6%	- 0.4pt	- 2.9pt	880	30.6%	1,871	29.5%
Sales commission	789	22.6%	1,871	24.0%	6.6pt	5.4pt	459	16.0%	1,180	18.6%
Other	582	16.7%	1,181	15.1%	- 1.1pt	- 2.4pt	511	17.8%	1,112	17.5%
Operating income	180	5.1%	800	10.3%	- 7.9pt	- 1.8pt	374	13.0%	766	12.1%

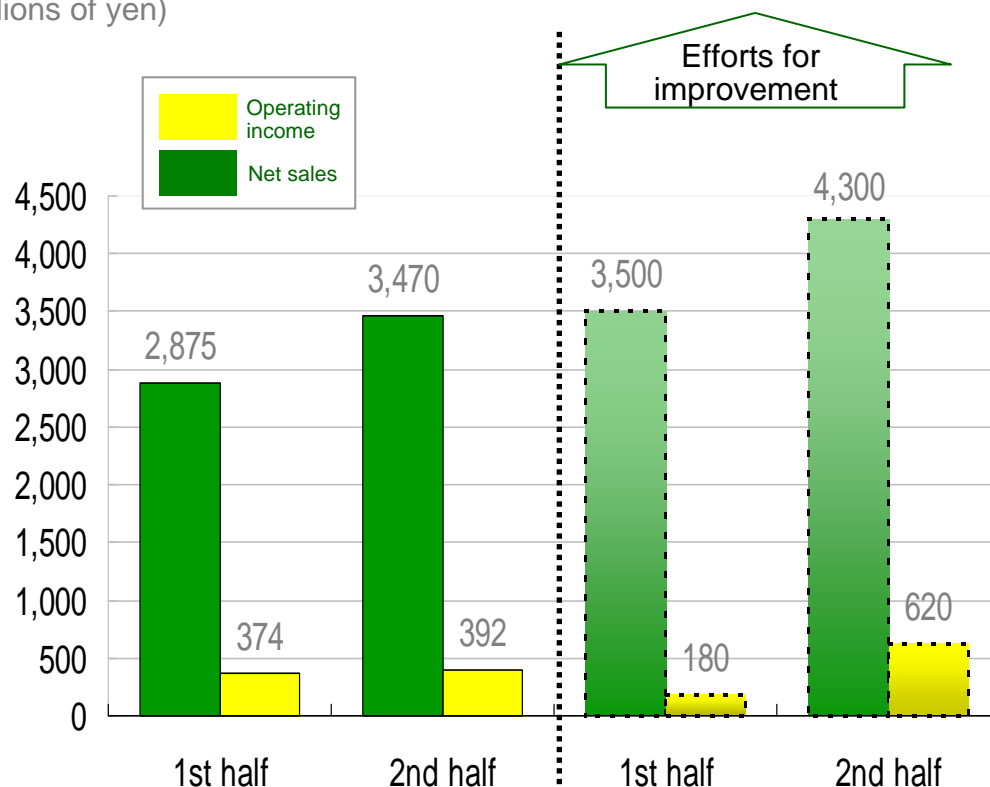
Operating Forecasts Year-on-Year Comparison

Projections are conservative considering the rapidly changing environment surrounding social apps and smartphones

FY2011 results vs. FY2012 forecast

FY2011 Gap between plan and results

(Millions of yen)



Actual results exceeded plan, with favorable 2nd generation social apps and stable official sites

Initial Plan (As of August 12, 2010)	Actual Results
Net sales	Net sales
Operating income	Operating income
Y-o-Y Change	Y-o-Y Change

Net sales	¥5,390 million	¥6,340 million
Y-o-Y Change	+22%	+43%
Operating income	¥580 million	¥760 million
Y-o-Y Change	+8%	+40%

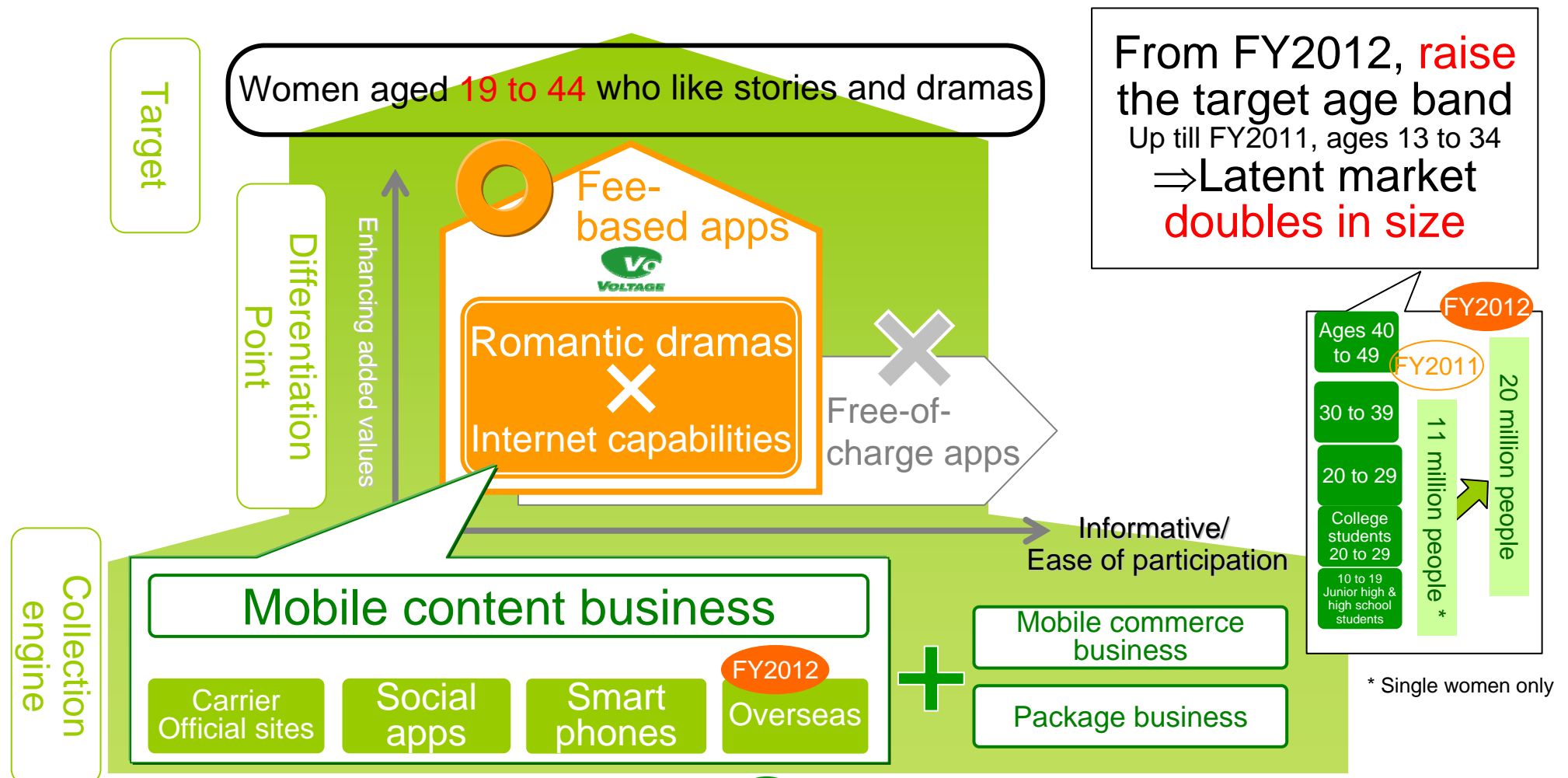
Revised upward twice after the initial projection

FY2011 (Year ended June 30, 2011)

FY2012 Plan (Year ending June 30, 2012)

Medium-Term Management Strategy

Concentrate management resources in “Romance Sims” and “Love & Job” series;
 Diversify source of revenue: “official sites”, “social apps”, “smartphones” and “overseas”



Direction for Social Apps

Enhance earnings capability with 2nd and 3rd generations



1st generation
Focus on
conversations

- The Captain is My Darling
- Pirates in Love
- High School Love Rumble
- My Sweet Bodyguard
- Shibuya Love Trip



FY2012 Further enhancements
2nd generation
Focus on
stories

- Love & Scandal
- Turning Point- Love & Career
- Home Sweet Home
- Kichijoji Days of Love
- High School Love Rumble
- The Total Experience



FY2012
3rd
generation
???



Distribution
in FY2012

Direction for Carrier Official sites

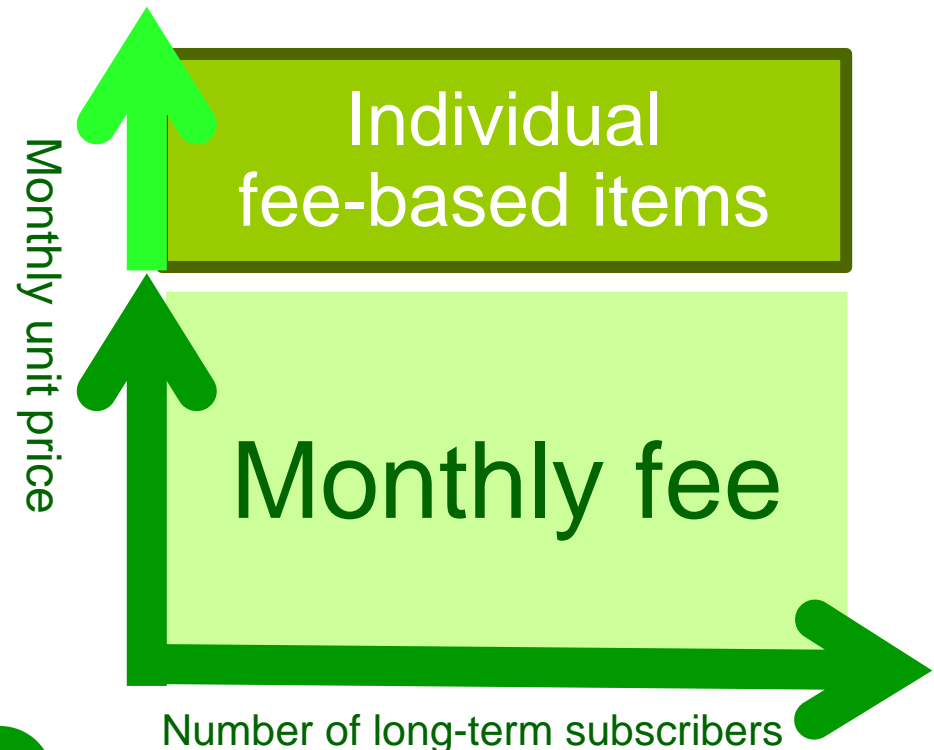
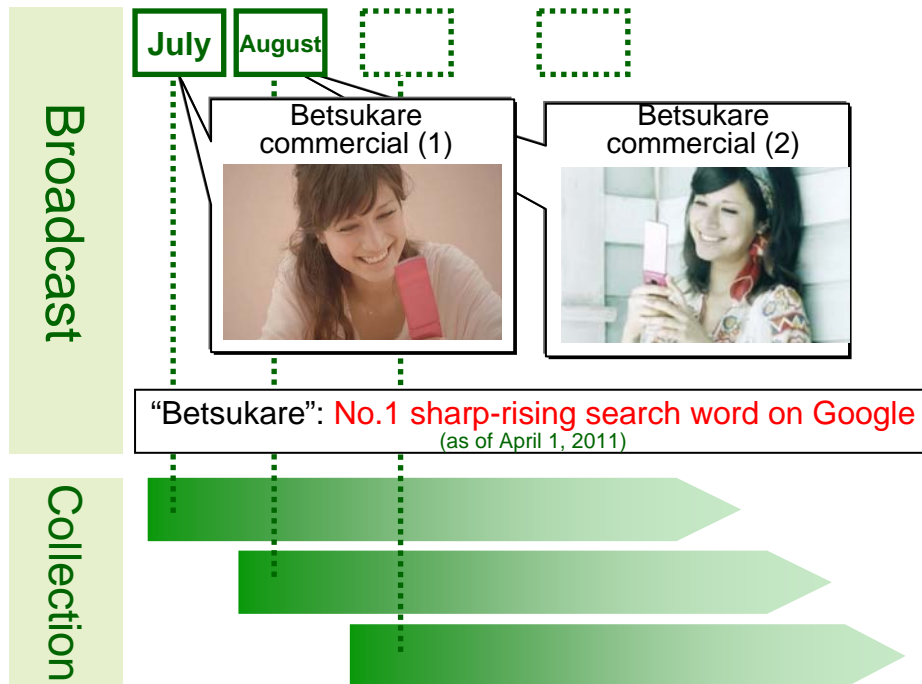
TV Commercials

- Regular cycles in FY2012
- Broadcast commercials with higher weight in the first half of the year



Increase unit price per customer

- Encourage long-term subscribers
- Strengthen individual fee-based items
- Plans for users around ages 30 and 40



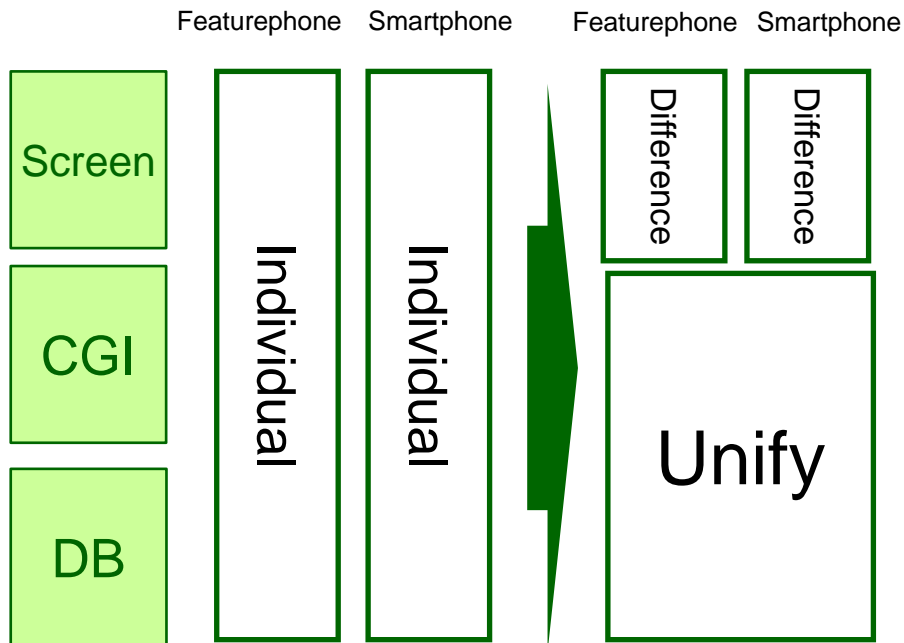
Measures for Smartphone apps

Unified apps development for Featurephone and Smartphone

Achieve time reduction plus quality improvement

Individual development

Unified development



Focus on shift to Smartphone apps

Currently planning to distribute 31 titles in FY2012



Social apps	1Q	2Q	3Q	4Q
	4 titles	3 titles		
Official sites	16 titles	6 titles		
	2 titles	TBD		

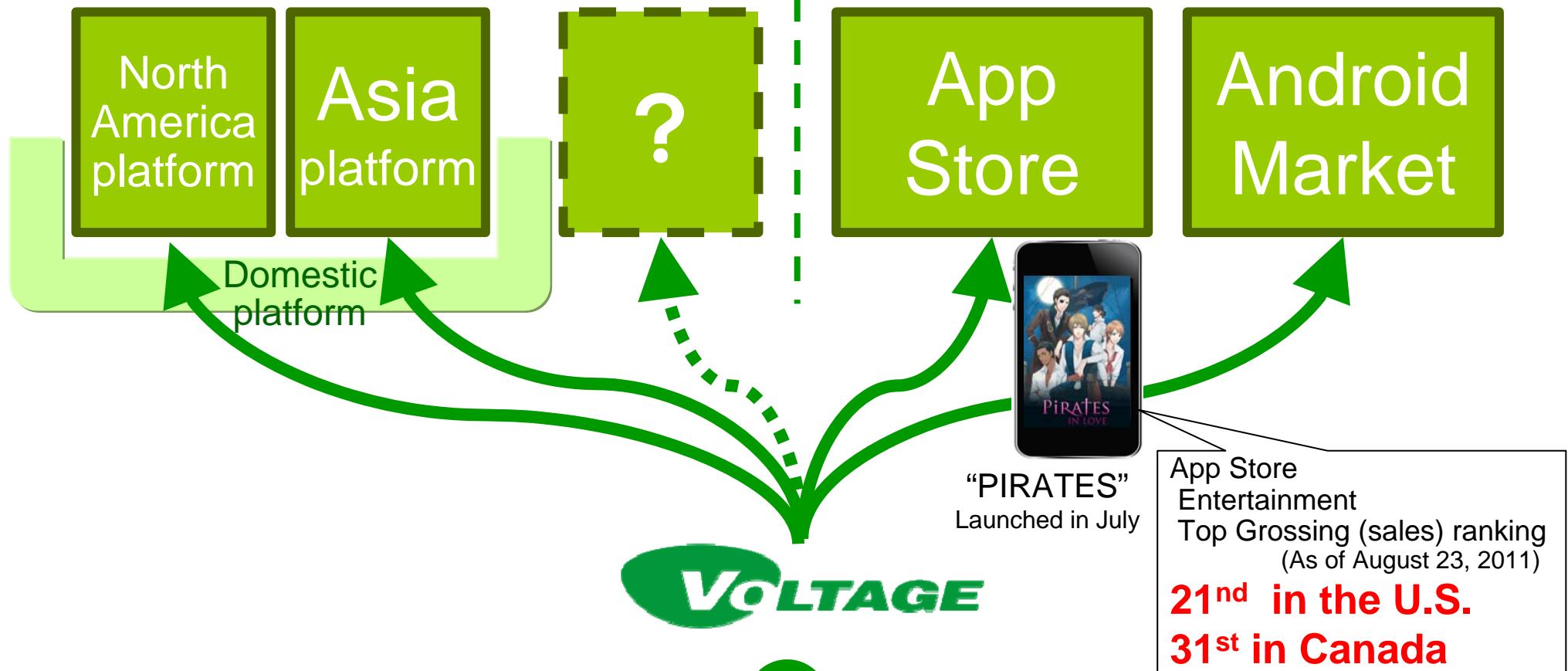
Monthly price One-time fee

Overseas Business: “Romance Sims” Series

The first round seems quite promising.
To launch several more!

For SNS platforms

For apps markets



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.

Target dividend ratio **20%**

Year Ended June 30, 2011

Comme
morative
dividend

Listed on
TSE
Mothers

Changed to
1st Section
of TSE

15 yen per share ^{*1}

5 yen per share ^{*2}

^{*1}
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.

^{*2}
The year-end dividend for the fiscal year ended June
30, 2011 will be an agenda for the 12th Ordinary
General Meeting of Shareholders scheduled on
September 29, 2011.

Year-end dividend

18 yen per share ^{*2}

Total: 38 yen per share

Year Ending June 30, 2012

Year-end dividend
(forecast)

19 yen per share (forecast)



Voltage Inc.



[Contact for Inquiries]

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