



Business Briefing for Shareholders

Gala Inc
Standard market: 4777

June 24th 2023



1. Gala Group



✓ **Social Mission**

Online community is the place where people can gather and be connected.

By connecting people from all over the world, we believe that we can contribute to global peace.

✓ **Vision**

No.1 Global Online Community Company

1. Gala Group

Gala Group Strengths



✓ **2 Hit Titles & a large fan base**

Over 50 million downloads worldwide for PC online games “Flyff Online” and “Rappelz Online”

✓ **Global distribution network**

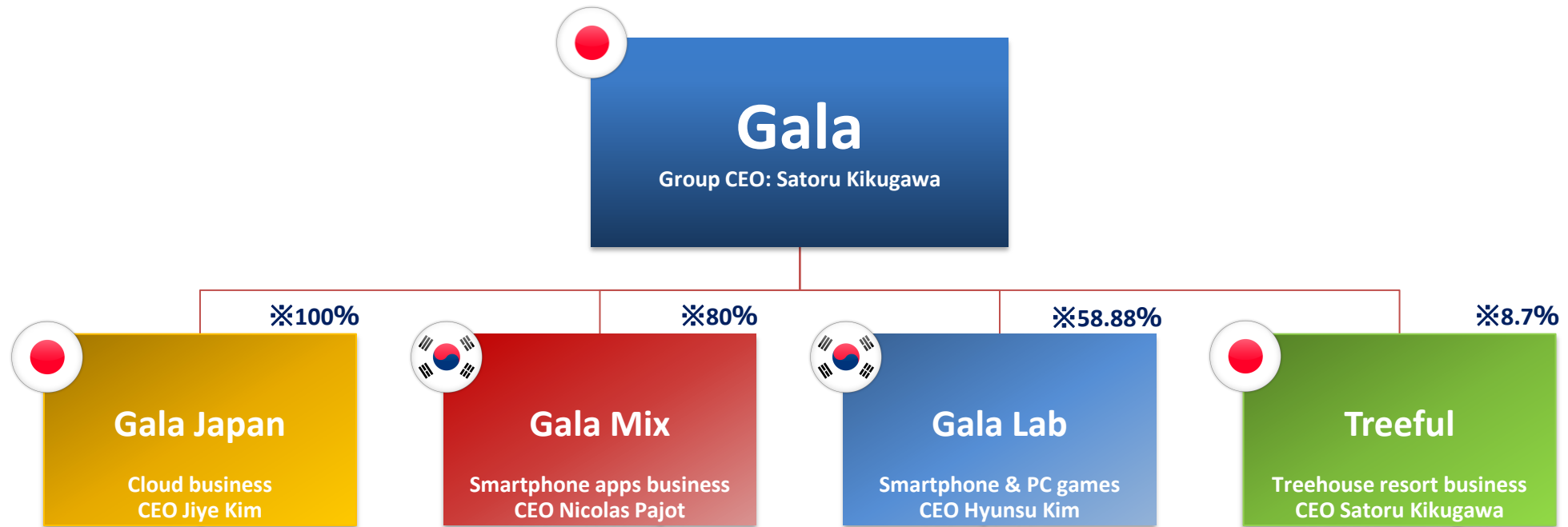
Publishing worldwide, either directly or via publishing partners.

✓ **Development and support capability**

Support for over 16 languages

1. Gala Group

Company Organization



*Percentage of shares held by Gala Inc. To ensure clear responsibility, each CEO invested in his/her respective company.

1 Gala Group

2 Financial highlights

3 Group companies

- Gala Lab Corp.
- Gala Mix Inc.
- Gala Japan Inc.
- Treeful Inc.

2. Financial highlights

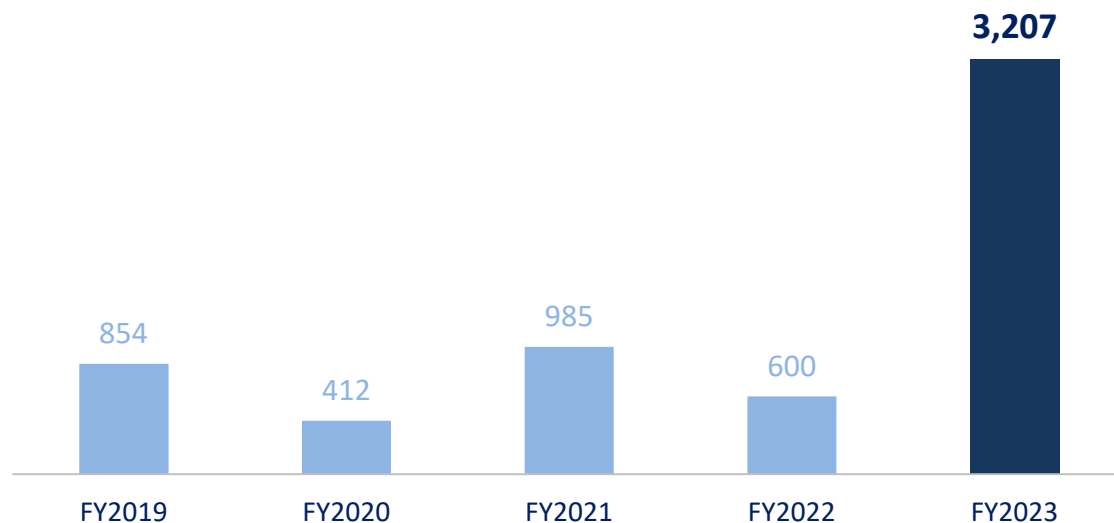
FY2023 Financial Report

Unit : Million JPY

Sales: 3,207 Million JPY

+ 434% YoY

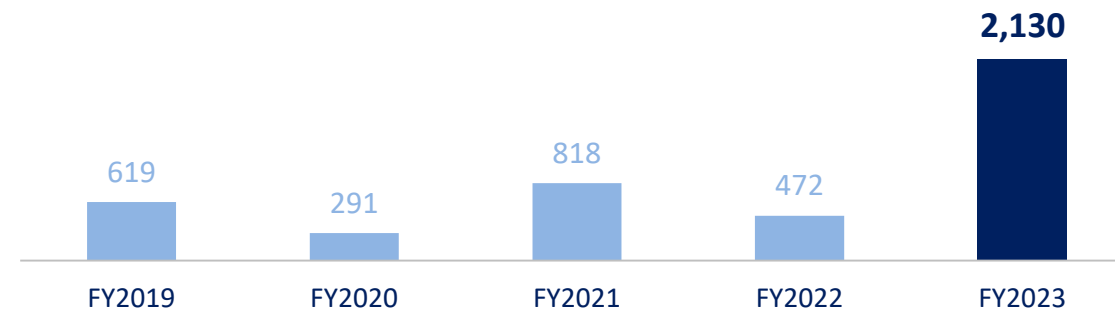
Driven by Flyff Universe sales



Gross profit: 2,130 Million JPY

+ 351% YoY

Increase in gross profit due to Flyff Universe sales



2. Financial highlights

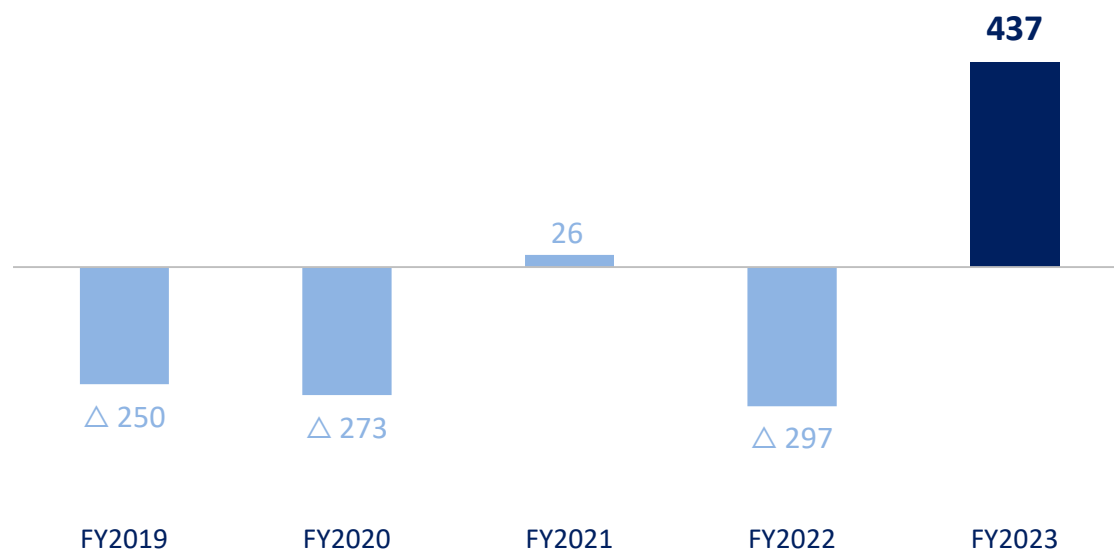
FY2023 Financial Report

Unit : Million JPY

Operating profit:

437 Million JPY

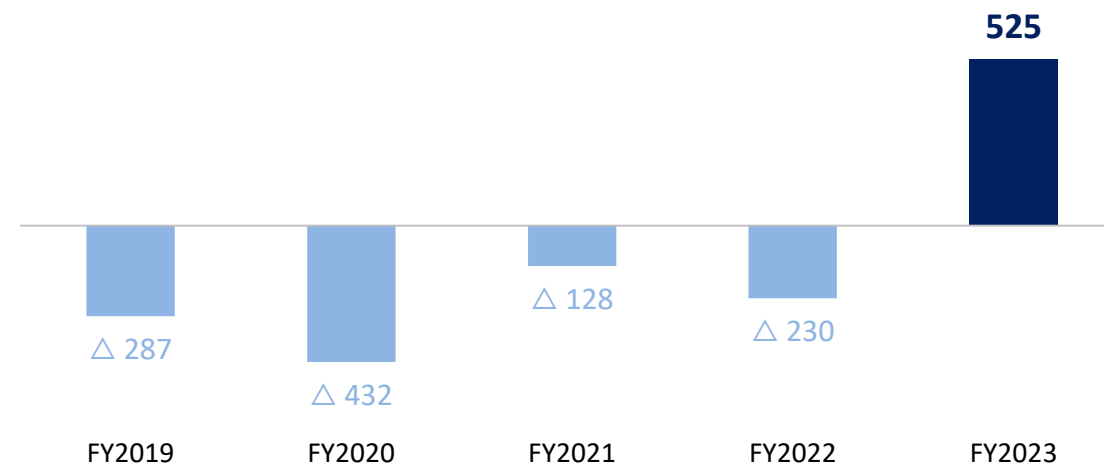
Selling, general and administrative expenses increased due to higher advertising expenses. However, operating income returned to profitability due to an increase in gross profit.



Net income:

525 million JPY

Achieved positive net income



2. Financial highlights

FY2023 Full Year Consolidated Profit

Unit : Million JPY

	FY2022	FY2023	Change
Sales	600	3,207	434%
Cost of sales	128	1,077	738%
Gross profit	472	2,130	351%
SGA	770	1,692	120%
Operating profit	△297	437	
Ordinary profit	△220	400	
Net income	△230	525	
Net income attributed to non-controlling interests	△44	205	
Net income attributed to Gala Inc.	△186	320	

2. Financial highlights

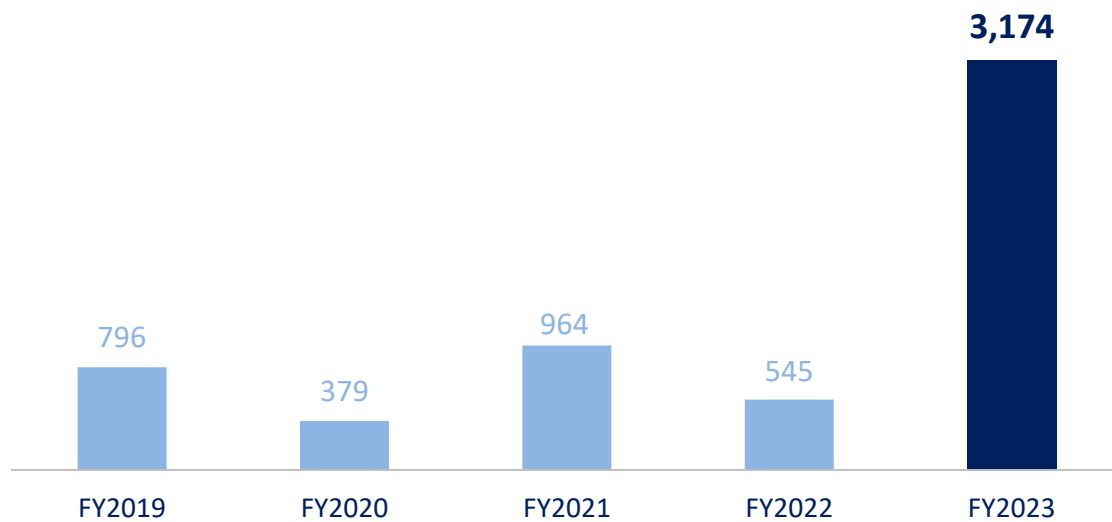
FY2023 Segment Trend

Unit : Million JPY

Korea segment

Sales: 3,174 million JPY

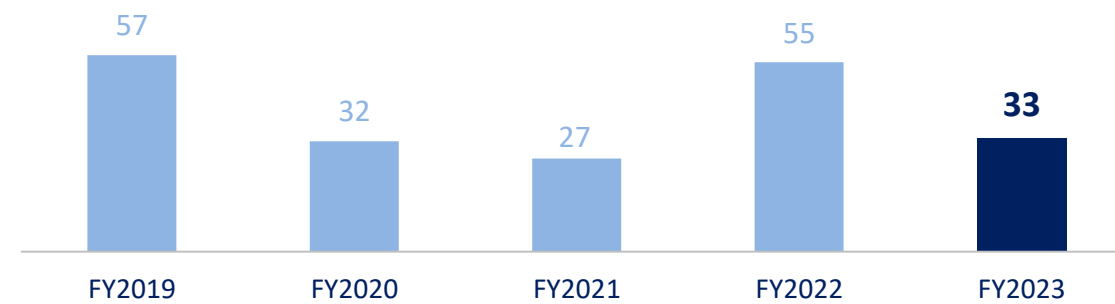
+ 482% YoY



Japan segment

Sales: 33 million JPY

- 40% YoY



2. Financial highlights

Balance Sheet (summary)

Unit : Million JPY

	FY2022	FY2023	Change
Current assets	500	2,181	336%
Fixed assets	243	273	12.0%
Intangible fixed assets	119	109	△8.3%
Investment and other assets	184	459	149%
Fixed assets	547	841	54%
Current liabilities	191	311	63%
Long-term liabilities	417	477	14%
Net assets	438	2,234	410%
Liabilities and net assets	1,047	3,023	189%

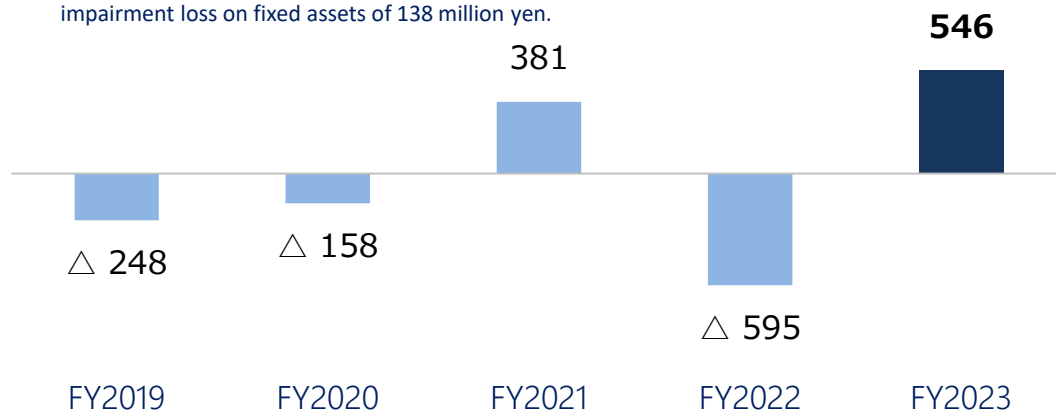
2. Financial high light

Cash Flow Trend (consolidated)

Unit : Million JPY

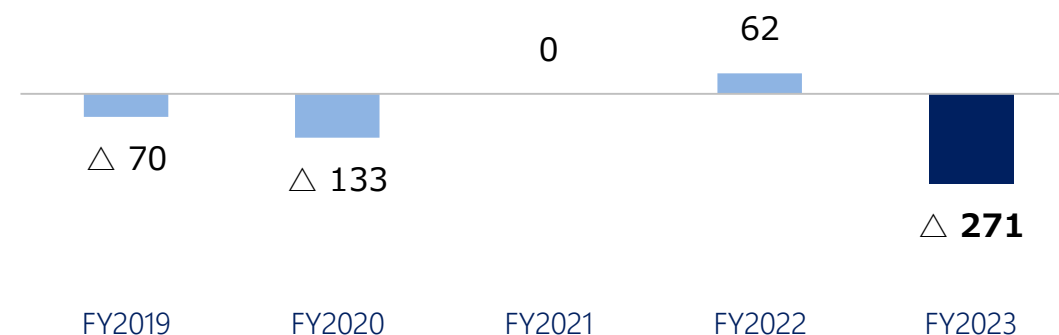
CF from Operating Activities

The main factors were income before income taxes of 260 million yen and impairment loss on fixed assets of 138 million yen.



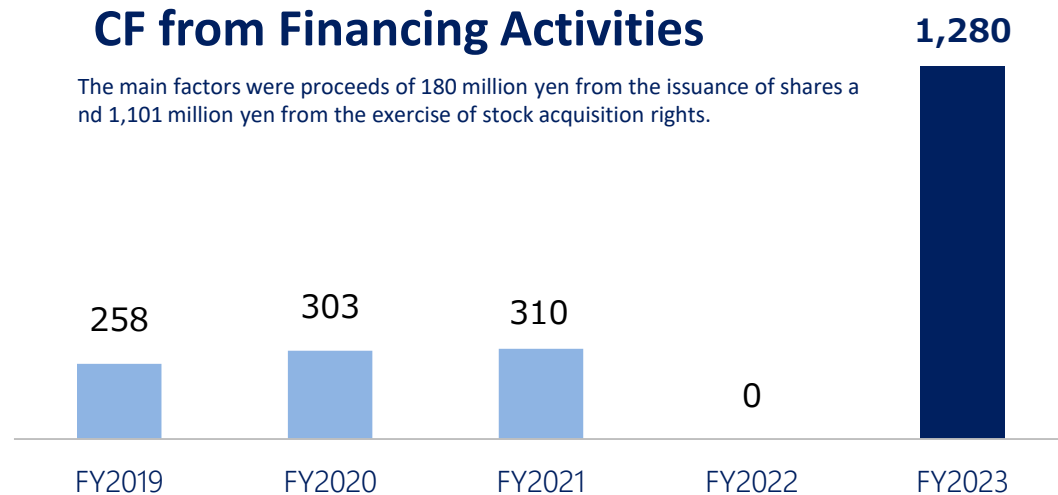
CF from Investing Activities

The main factor was 219 million yen for the purchase of intangible fixed assets.



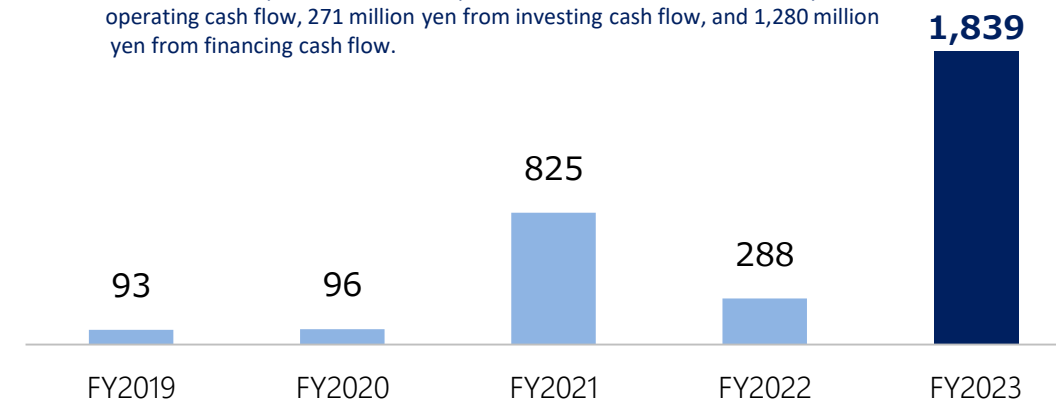
CF from Financing Activities

The main factors were proceeds of 180 million yen from the issuance of shares and 1,101 million yen from the exercise of stock acquisition rights.



Cash and Cash Equivalents

Cash and cash equivalents at end of period increased due to 546 million yen from operating cash flow, 271 million yen from investing cash flow, and 1,280 million yen from financing cash flow.



1 Gala Group

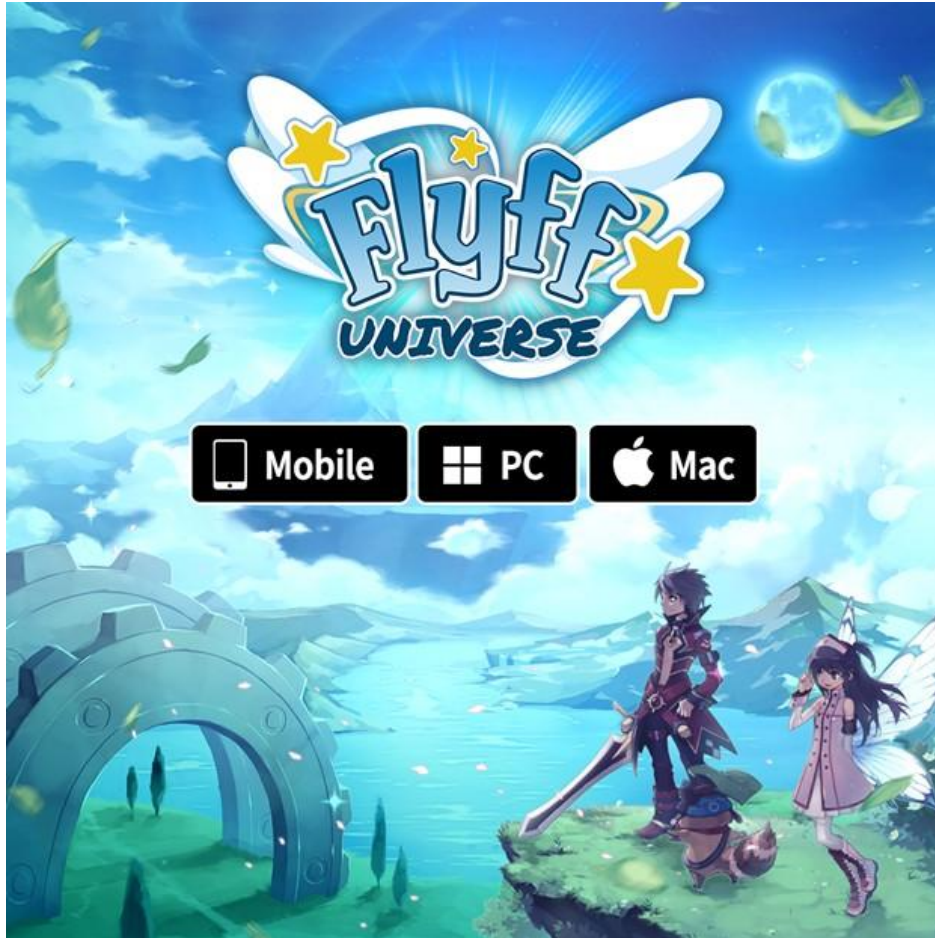
2 Financial highlights

3 Group companies

- ✓ **Gala Lab Corp.**
- Gala Mix Inc.
- Gala Japan Inc.
- Treeful Inc.

3. Gala Lab Corp. (CEO: Hyunsu Kim)

Business Reports



Flyff Universe Grand Launch

- 3M+ Users
- 20M+ USD Sales
- 10+ Languages
- PC online game successfully transformed
- Ready to connect Web3 tech-knowledge
- Support global cross-platform

3. Gala Lab Corp. (CEO: Hyunsu Kim)

Business Reports



VERSE
campus



Uverse Campus

- The first university metaverse in Korea
- LGU+ MZ
- 3 Universities subscribed to the platform

Block chain

GHUB: crypto assets issued by business partner
GCP Limited

- Listed on Lbank
- Listed on Bitmart



3. Gala Lab Corp. (CEO: Hyunsu Kim)

2023 Strategy



Flyff Universe

- Launch Korean version
- Integrate NFT functionalities
- Expand to new territories



Uverse

- Grand launch & commercialization
- Expand number of universities
- Develop community area



Web3 Tech-knowledge

- Listing more markets
- Bridge with Rappelz Universe
- Connect more contents



New project

- License a new title
- Develop the title for HTML5
- Connect more contents

1 Gala Group

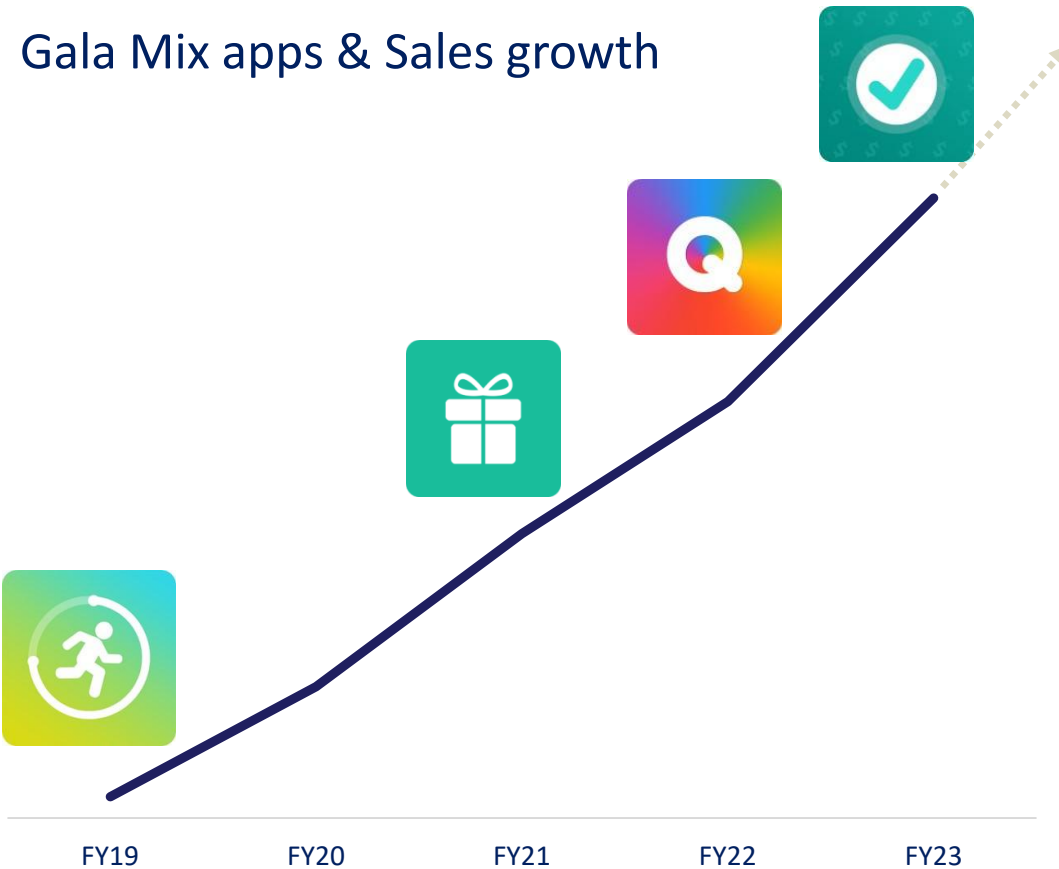
2 Financial highlights

3 Group companies

- Gala Lab Corp.
- ✓ **Gala Mix Inc.**
- Gala Japan Inc.
- Treeful Inc.

3. Gala Mix Inc. (CEO: Nicolas Pajot)

Business Report



1

Use the apps & Earn coins

Walk, answer quizzes, play games, etc

2

Redeem coins for rewards

Win gift cards from Amazon, Google Play, etc

3. Gala Mix Inc. (CEO: Nicolas Pajot)

2023 Strategy



Ongoing application optimization to improve user acquisition, retention and sales.

1 Gala Group

2 Financial highlights

3 Group companies

- Gala Lab Corp.
- Gala Mix Inc.
- ✓ **Gala Japan Inc.**
- Treeful Inc.

3. Gala Japan Inc. (CEO: Jiye Kim)

Metaverse business: Business activities for UVERSE

UVERSE campus

Points

- Cloud-based service with significantly reduced construction costs
- UVERSE requires no separate app
- UVERSE auditorium can accommodate more than 1,000 people at a time.



3. Gala Japan Inc. (CEO: Jiye Kim)

Metaverse-related business

Collaborate with Megazone as a cloud-related business



Number of customers in Japan

40+ companies

*Introduced at EDIX Kansai MZ booth on June 14th to 16th



Convenient device-free connection environment.
Development of a web client infrastructure metaverse.



1 Gala Group

2 Financial highlights

3 Group companies

- Gala Lab Corp.
- Gala Mix Inc.
- Gala Japan Inc.
- ✓ **Treeful Inc.**

3. Treeful Inc. (CEO: Satoru Kikugawa)

Business Reports



**The Spiral Tree House and Aero-House set accommodations are operating favorably.
Google review ★4.8**

3. Treeful Inc. (CEO: Satoru Kikugawa)

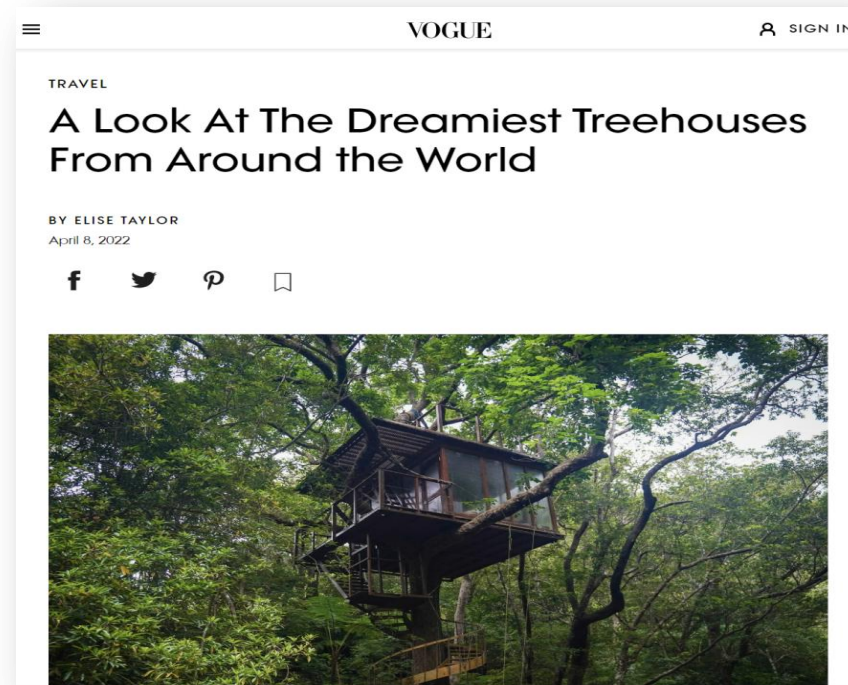
Business Reports



**Slit tree house is World record as the lowest Treehouse in the world
Sauna and body treatment service is started in the Slit Tree House.**

3. Treeful Inc. (CEO: Satoru Kikugawa)

Business Reports



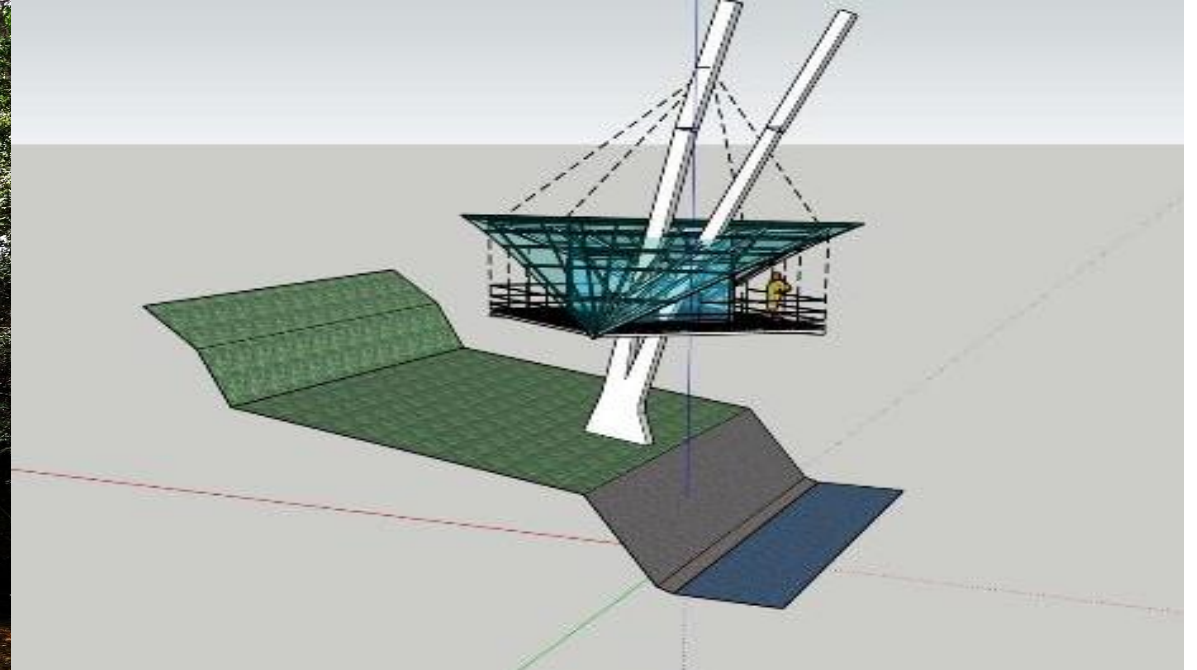
Featured in famous fashion magazines such as Vogue, The Telegraph (UK), New York Post (US), VISA Australia, Robb Report (US), Japanese Government, Prime Minister's Office SNS, President Online (Japan), and other national and international media.



Selected as one of the world's top 8 hotels in the "World's Most Instagrammable Hotels" tournament organized by Luxury Travel Advisor.

3. Treeful Inc. (CEO: Satoru Kikugawa)

2023 Strategy



New treehouse and new aero house(s) under construction
Scheduled to be completed in the fall of 2023

Thank you