



Gala Inc. Announces Termination of Cell Phone Games

Tokyo, Japan – February 18, 2010 – Gala Inc. today announced that Gala Japan Inc., a Tokyo-based consolidated subsidiary of Gala Inc., will terminate its cell phone online game services as of March 31, 2010.

1. Overview

Gala Japan Inc. currently provides the online PC games Rappelz and Castle of Hero on its gPotato.jp portal and the cell phone game Flyff Online Mobile on its poteMO portal. While poteMO has over 100 thousand users registered as of August 24, 2009, fierce competition in the cell phone games market has made a steady revenue stream unachievable. As such, Gala Japan will refocus on its core strengths in the PC online games market.

2. Overview of Gala Japan Inc.

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|-----------------|--|
| Company name | Gala Japan Inc. |
| Address | Shibuya Prestage 3F, 3-12-22 Shibuya, Shibuya-ku, Tokyo, Japan 150-0002 |
| Founded | April 5, 2007 |
| CEO | Jiye Kim |
| Business domain | Operation of PC online games portal "gPotato" and distribution of online games Cell phone portal site poteMO and distribution of cell phone manga |

3. Dates

All cell phone online games services are to be terminated as of March 31, 2009.

4. Impact on financial performance

Impact on financial performance of Gala Inc. is expected to be minimal.

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