



## **Establishment of Brazil-based Subsidiary**

Tokyo, Japan – March 17, 2010 - Gala Inc. today announced that its board of directors had resolved at the meeting held March 17, 2010 to establish a subsidiary of California-based Gala-Net Inc., a consolidated subsidiaries of Gala Inc.

### 1. Purpose of establishment

Gala-Net Inc., a consolidated subsidiary of Gala Inc., currently provides services for Portuguese-speaking users in Brazil and others countries from the U.S. However, establishing a subsidiary in Brazil will enable Gala-Net to provide better security, maintenance, and overall service quality to its users.

### 2. Overview of subsidiary

- (1) Company name: Gala-Net Brazil (tentative)
- (2) Planned date of establishment: April 2010
- (3) Location of main office: Sao Paulo, Brazil
- (4) CEO: Jikhan Jung (CEO of Gala-Net Inc.)
- (5) Capital: USD 300,000
- (6) Fiscal year: April 1 thru March 31
- (7) Shareholders: Gala-Net Inc. 99.9%, Gala Inc 0.1%
- (8) Business domain: Brazil-based operation of Portuguese-language online games portal gPotato.com.br and distribution of online games

### 3. Timeline of establishment

Date resolved by board of Gala Inc.: March 17, 2010

Date of establishment: April 2010 (planned)

Commencement of operations: May 2010 (planned)

The portal site gPotato.com.br and the distribution of the online game Flyff are currently handled by Gala-Net Inc., but these will be taken over by the Brazil-based subsidiary as soon as preparations are complete.

#### 4. Impact on financial results

The impact on Gala Inc.'s financial results for fiscal year 2010 will be minimal.

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