



Taiwan Service of Rappelz is Terminated

Tokyo, Japan – May 25, 2010 – Gala Inc. today announced that the Taiwan service of Rappelz, an online game developed by Seoul-based consolidated subsidiary nFlavor Corp., was terminated as of May 24, 2010.

1. Background

Rappelz, one of the Gala Group's flagship titles that is currently provided in thirteen languages, has been provided to users in Taiwan in partnership with MacroWell OMG Digital Entertainment Co., Ltd.

Initially, the game achieved great success, being ranked second in local online game popularity rankings. However, the Taiwan user demographic tends to concentrate on newly released games, and the user base of Rappelz declined despite efforts to the contrary including content updates and customer support. As such, the licensing agreement was not renewed, and the service was terminated on May 24, 2010.

The impact on Gala Inc.'s financial results will be minimal.

2. Future efforts

The Gala Group will continue to provide superior games, both those developed within the group and licensed from other developers, to gamers around the world through its gPotato portals.

Contact:

Chie Suehiro

Office of Group Management, Gala Inc.

Address: Shibuya Prestage 3F, 3-12-22 Shibuya, Shibuya-ku, Tokyo, Japan 150-0002

TEL: 03-5778-0324 (+81-3-5778-0324 from overseas)

FAX: 03-5778-0340 (+81-3-5778-0340 from overseas)

email: ir@gala.jp

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