



Gala Inc. Announces Extraordinary Losses

Tokyo, Japan – July 14, 2010 – Gala Inc. today announced that it will recognize extraordinary losses of JPY 225,981,000 due to the cancellation of an upcoming title.

1. Overview of extraordinary losses

The Gala Group currently provides a total of twelve titles in the U.S., Europe, Asia, and South America, of which four were developed by Gala Group companies. Additional titles are being developed by a Korea-based subsidiary.

Among these in-development titles has been the online game Airmatch. However, due to loss of competitiveness, the title's development has been cancelled. Due to this, the company will recognize extraordinary losses of JPY 225,981,000.

2. Impact on financial results

This extraordinary loss has already been included in this year's budget. As such, financial projections for FY2011 and FY2011 2Q will not be amended.

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