
FY2013 Q2 Presentation to the Financial Analysts

(Term: 2012/7/1 – 2012/9/30)



Gala Incorporated

2012/11/15

I . FY2013 Q2 Quarterly Financial Results

II . FY2013 Q2 Quarterly Business Report

III. Future Plan

I . FY2013 Q2 Financial Result

~Quarterly PL~

Quarterly PL

	FY2013 Q2	FY2012 Q2	(Unit: Thousand JPY) Difference (Amount)	Difference (%)
Sales	599,207	1,121,537	△522,329	△42.8%
Cost of Sales	150,467	248,324	△97,857	△39.4%
Gross Operating Profit	448,740	873,212	△424,472	△48.6%
SGA	688,571	914,677	△226,106	△24.7%
Operating Profit	△239,830	△41,464	△198,365	-
Ordinary Profit	△255,837	△1,904	△253,933	-
Quarterly Net Income	△340,372	△209,939	△130,432	-

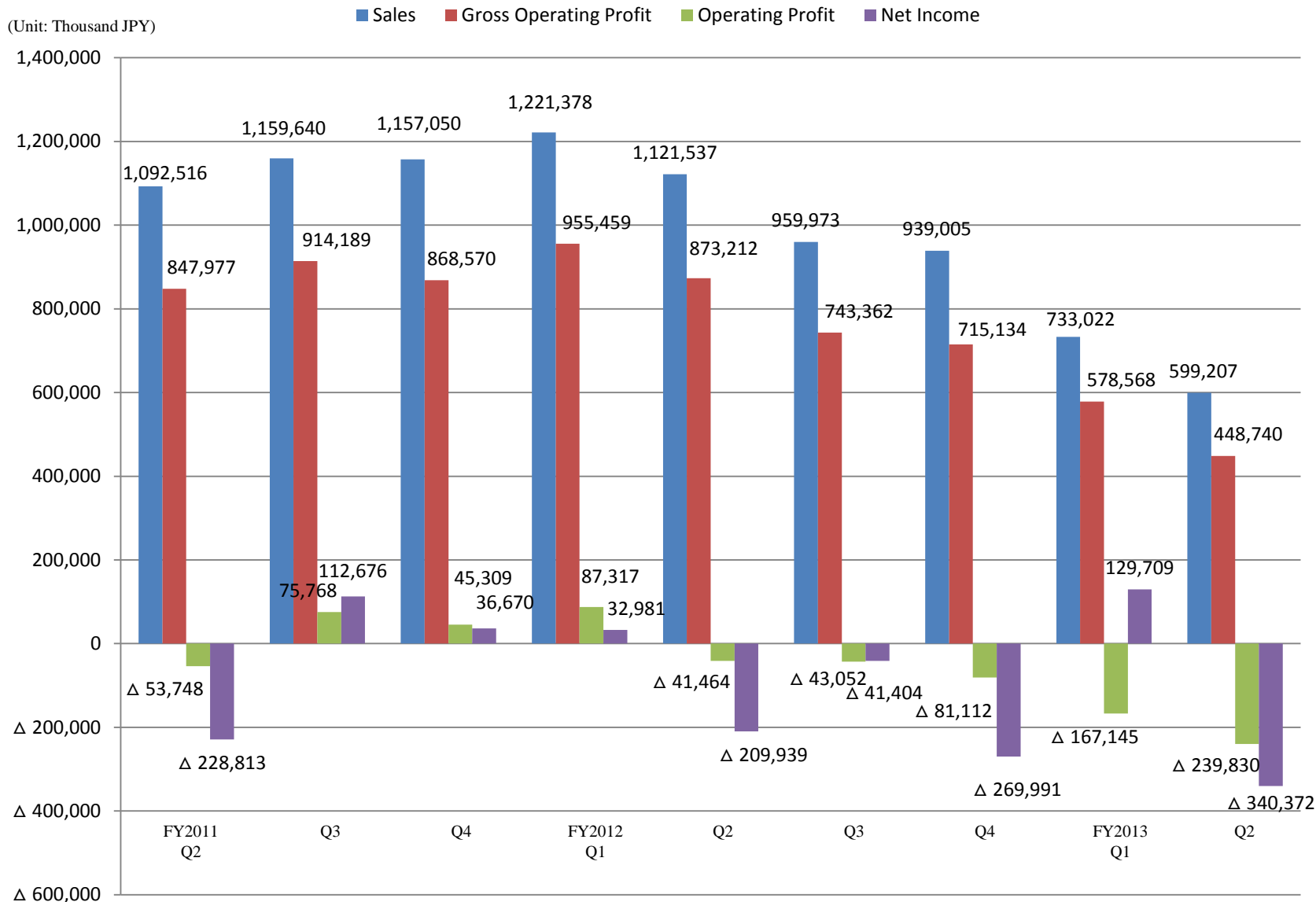
- ◆ Sales decreased due to delay in existing game updates that lowered purchase intentions.
- ◆ Impairment loss of “Aika Online” booked in FY2013 Q2.

I . FY2013 Q2 Financial Result



Global Online Community

~PL trend (Sales, Gross Operating Profit, Operating Profit, Quarterly Net Income)

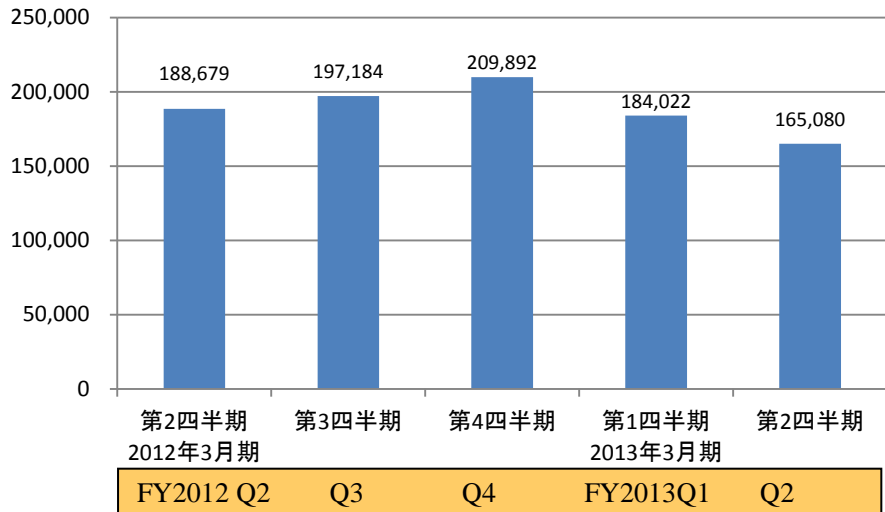


I . FY2013 Q2 Financial Result

~Sales by Segment~

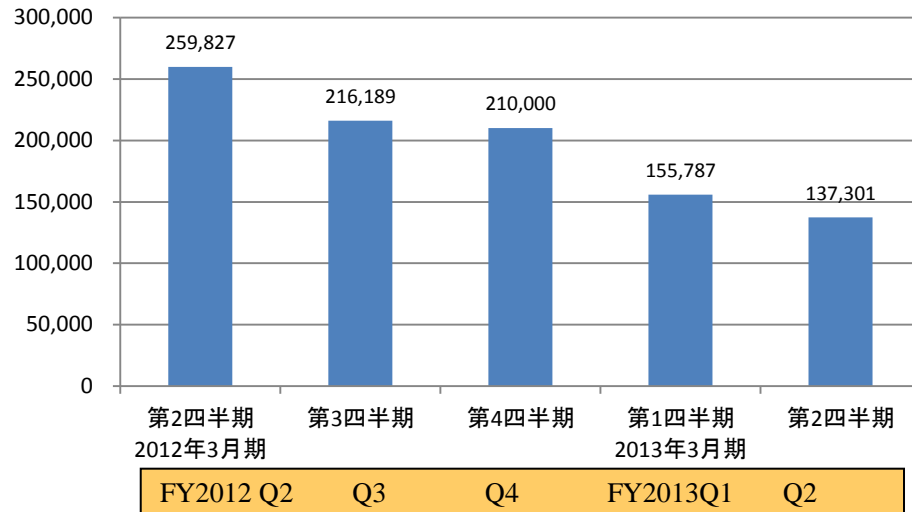
Japan

(Unit: Thousand JPY)



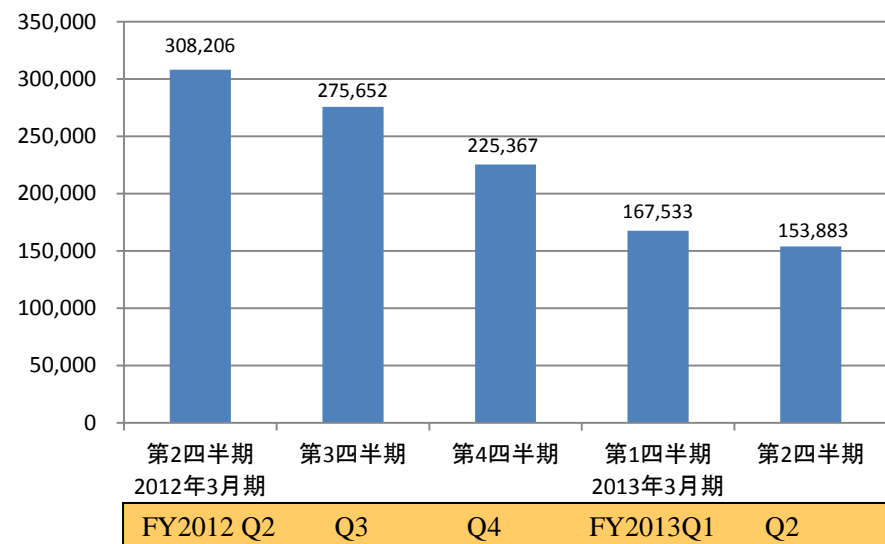
Korea

(Unit: Thousand JPY)



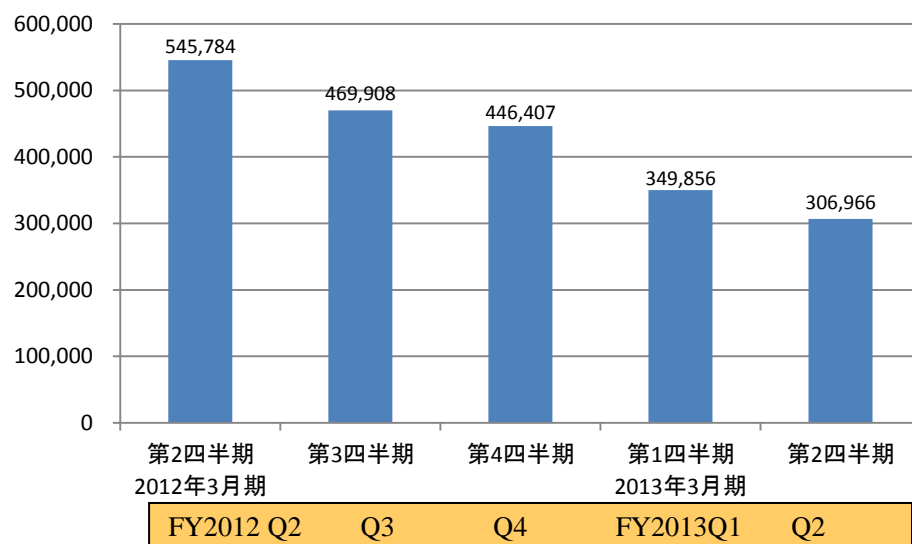
Americas

(Unit: Thousand JPY)



Europe

(Unit: Thousand JPY)

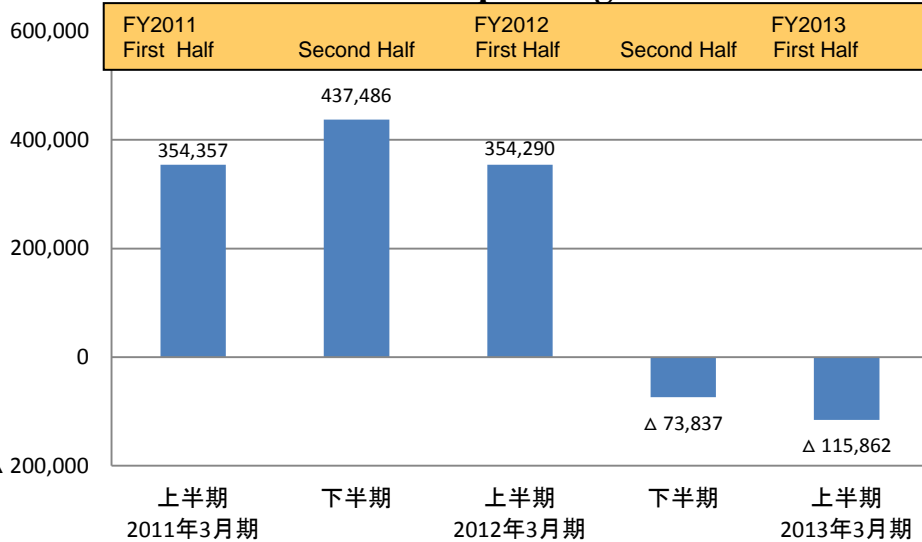


I . FY2013 Q2 Financial Result

~Cash flow Trend~

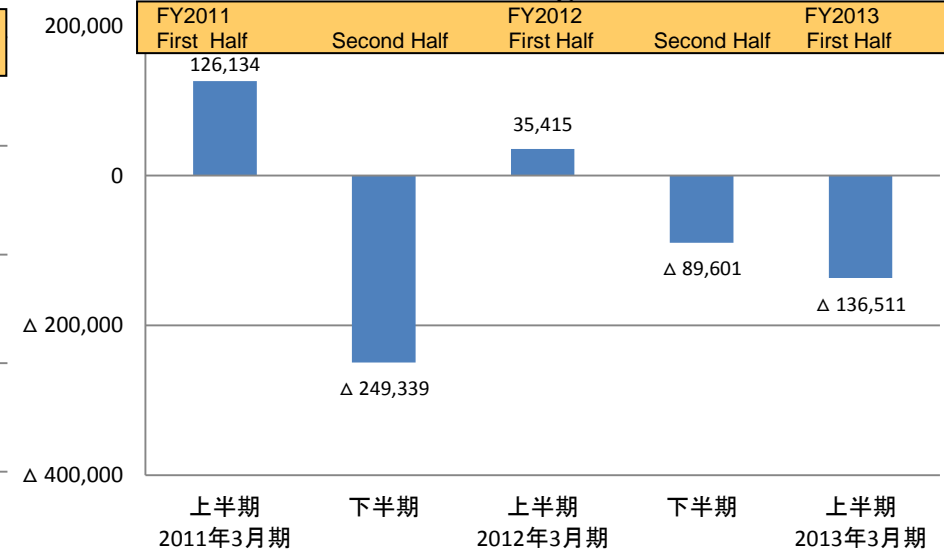
(Unit: Thousand JPY)

CF from Operating Activities



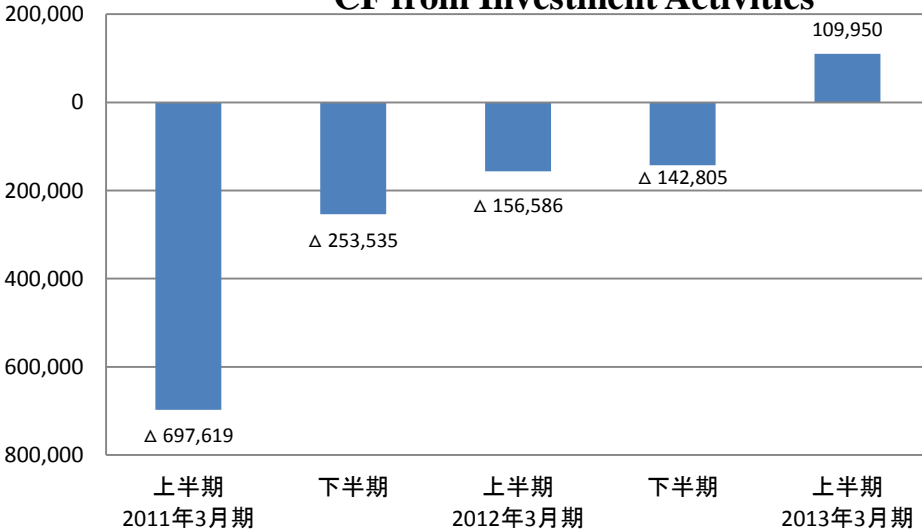
(Unit: Thousand JPY)

CF from Financing Activities



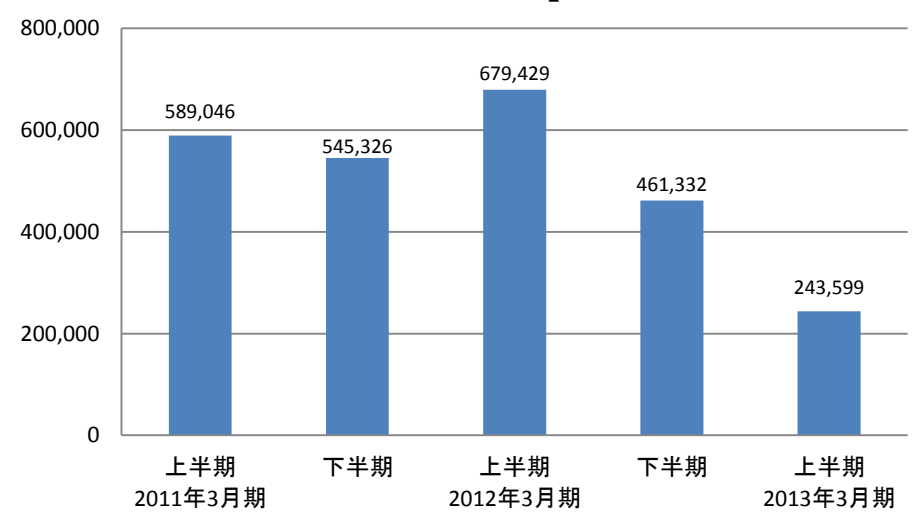
(Unit: Thousand JPY)

CF from Investment Activities



(Unit: Thousand JPY)

Cash and Cash Equivalents



FY2011	FY2012	FY2013
First Half	First Half	First Half
Second Half	Second Half	First Half

I . FY2013 Q2 Financial Result

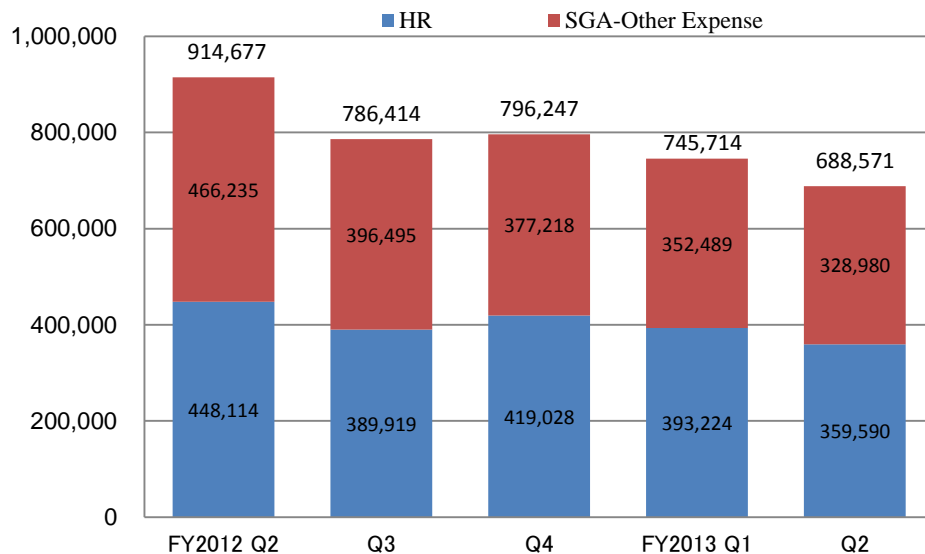
~SGA, Group Count~

Quarterly SGA and Group Count (Consolidated)

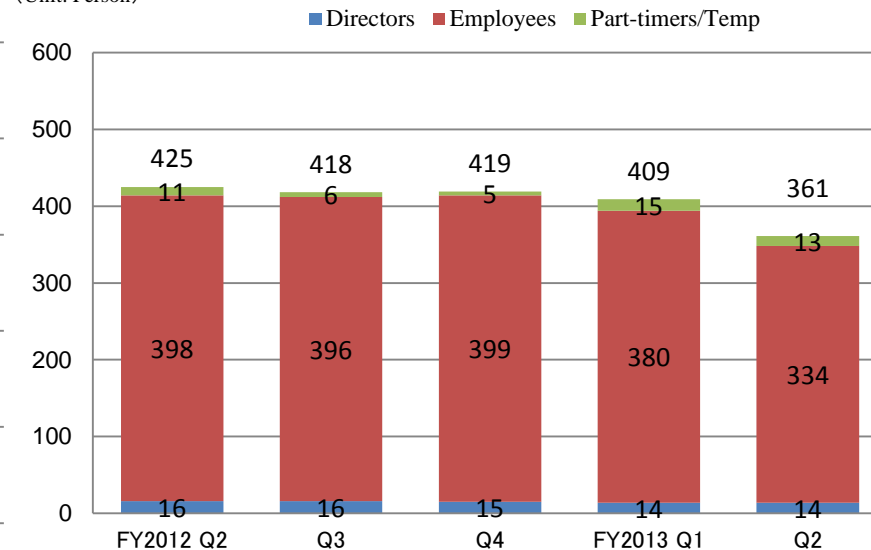
(Unit: Thousand JPY)

	FY2013 Q2	FY2012 Q2	Difference (Amount)	Difference (%)
HR	359,590	448,114	△88,523	△19.8%
SGA-Other Expense	328,980	466,562	△117,582	△25.2%
SGA Total	688,571	914,677	△266,106	△24.7%

(Unit: Thousand JPY)



(Unit: Person)



II .FY2013 Q2 Business Summary



Supermagical

Developer : Super Mega Team S.L.

Platform: iOS4.1, Android (Planned)

Apple iTunes Store:

- (Spanish) :2012/6/20 released
- (English, French, German, Japanese, Korean) :
2012/8/23 released

Casual

Puzzle

In-game

Charge

All Ages



Nominated Hollywood Music in Media 2012 best music award in mobile video game.
Selected as iTunes App Store Editor's Choice on 2012/8/24.



SONG/SCORE - MOBILE VIDEO GAME

Damian Sanchez - Supermagical (IOS)

David Ari Leon - Woody Woodpecker (Woody Woodpecker mobile game)

Diego Montesinos - ES / (ASS) (Diego Montesinos)

Isaias Garcia - Robot Gladi8or (Slide To Play)

Winifred Phillips & Winnie Waldron - Assassin's Creed III Liberation (Ubisoft)

“Supermagical (IOS)” on Hollywood Music in Media Awards homepage.

http://www.hmmawards.org/?page_id=2551



“SEVENCORE” by developing company outside of Group (released in Japanese, English, and Europe)



Published by Gala-Net Inc. on “gPotato.com” and commercialized on 2012/9/6 local time.

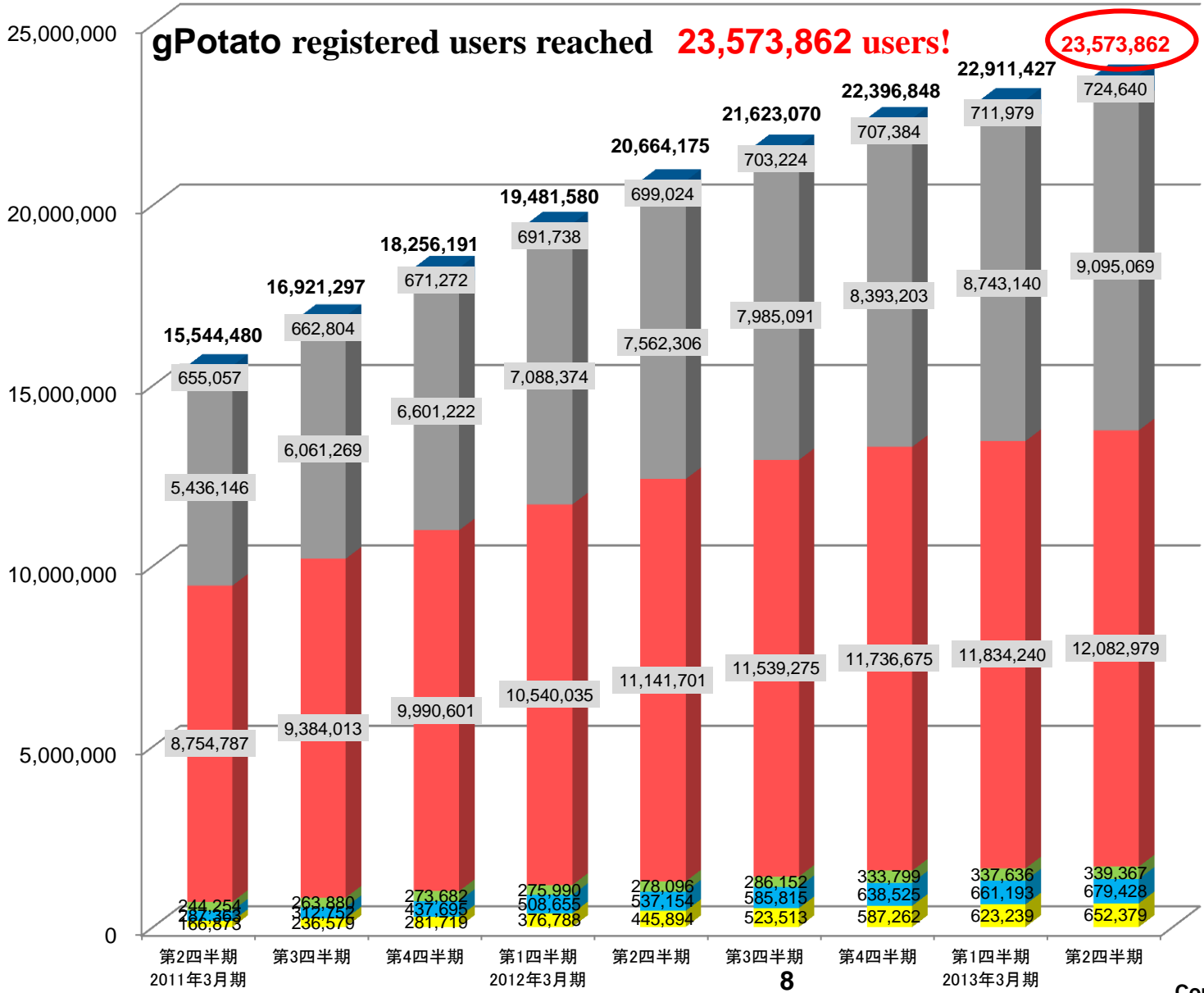
Published by Gala Networks Europe on “gPotato.eu” and commercialized on 2012/9/20 local time.

Published by Gala Japan Inc. on “gPotato.jp” and commercialized on 2012/9/25.

II. FY2013 Q2 Business Report <Online Game Business>



~gPotato registered users~



**FY2011 Q2 to FY2013 Q2
On quarterly basis**

II. FY2013 Q2 Business Report <Online Game Business>



~Published Game Titles on the Game Portal Site~

		In-House			Developed Outside of Group								
		Flyff Online	Rappelz	Eternal Blade	Dragonica	Aika Online	Allods Online	Canaan	Iris Online	Age of Wulin *	SEVEN CORE	Terra Militaris *	Zenobian
gPotato.jp	Japanese			FY2013 4Q									
gPotato.com	English			FY2013 4Q									
es.gPotato.com	Spanish												
gPotato.com.br	Portuguese												
gPotato.eu	German			FY2013 4Q						FY2013 4Q			
	French			FY2013 4Q						FY2013 4Q			
	English												
	Turkish												
	Polish												
	Italian												
gPotato.kr	Korean												

*Game Titles differ by region

Commercialized
 Preparing

II. FY2013 Q2 Business Report <Online Game Business>



~ In-house online game regions ~

Game Title	Publishers																									
	Europe						Asia											SA								
	English	German	French	Turkish	Polish	Italian	Russian	Japanese	Korean	Philippines	Thai	Vietnam	Malaysia	Singapore	Indonesia	China	Taiwan	Hong Kong	Macao	Spanish	Portuguese	Arabic				
Flyff Online	Gala Networks Europe						Gala Japan						Gala Lab						Gala-Net		Gala-Net Brazil	Game Power7				
Rappelz	Gala Networks Europe						FUN FACTORY						Eaglegame International						GameAssasin Entertainment		GameCyber Technology					
Eternal Blade	Gala Networks Europe						Gala Japan						Ini3 Digital Co., Ltd						Shanda Games Limited							
	Astrum Online Entertainment						Eaglegame International						PT. KingSlaim Soft						Macrowell							
	Gala Networks Europe						Gala Networks Europe						PT. KingSlaim Soft						Net Ease							

Commercialized

Preparing

Published within Group

III. Future Plan

III. Future Plan

1. Smartphone Game



Scheduled to release Chinese and Russian versions of “Supermagical” in FY2013Q3.
Android version will be released.



Gala Innovative Inc. is established in October 2012 in California, U.S.A. The company plans to develop and publish social games for smartphone/tablet PC.



Gala Lab Corp. and iGrid Inc. fully executed a contract on 2012/10/31 for online game “Zenobian” to co-develop smartphone applications.

III. Future Plan

2. Online Game Business



Closed Beta service for “Age of Wulin” in German and French planned in FY2013 Q4.



Open Beta Test for “Eternal Blade” in Japanese, English, German, and French planned in FY2013 Q4.