Q1 FY2023(Apr-Dec) Report

Gala Inc.

Standard market: 4777

1 Q1 FY2023(Apr-Dec) Financial Statement

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Overview (Consolidated)

Unit : Million JPY

	FY2023_3_Q1 (2022 April-June)	FY2023_12_Q1 (2023 April-June)	Change
Sales	701	545	△22%
Cost of sales	262	200	△24%
Gross profit	439	345	△21%
SGA	303	356	18%
Operating profit	136	△10	
Ordinary profit	88	9	
Profit attributed to Gala Inc.	99	1	

Quarterly Sales

Net Sales

Y o Y change
-150 million JPY

701	1,109	714	682	**545**
FY23_3/Q1	FY23_3/Q2	FY23_3/Q3	FY23_3/Q4	FY23_12/Q1
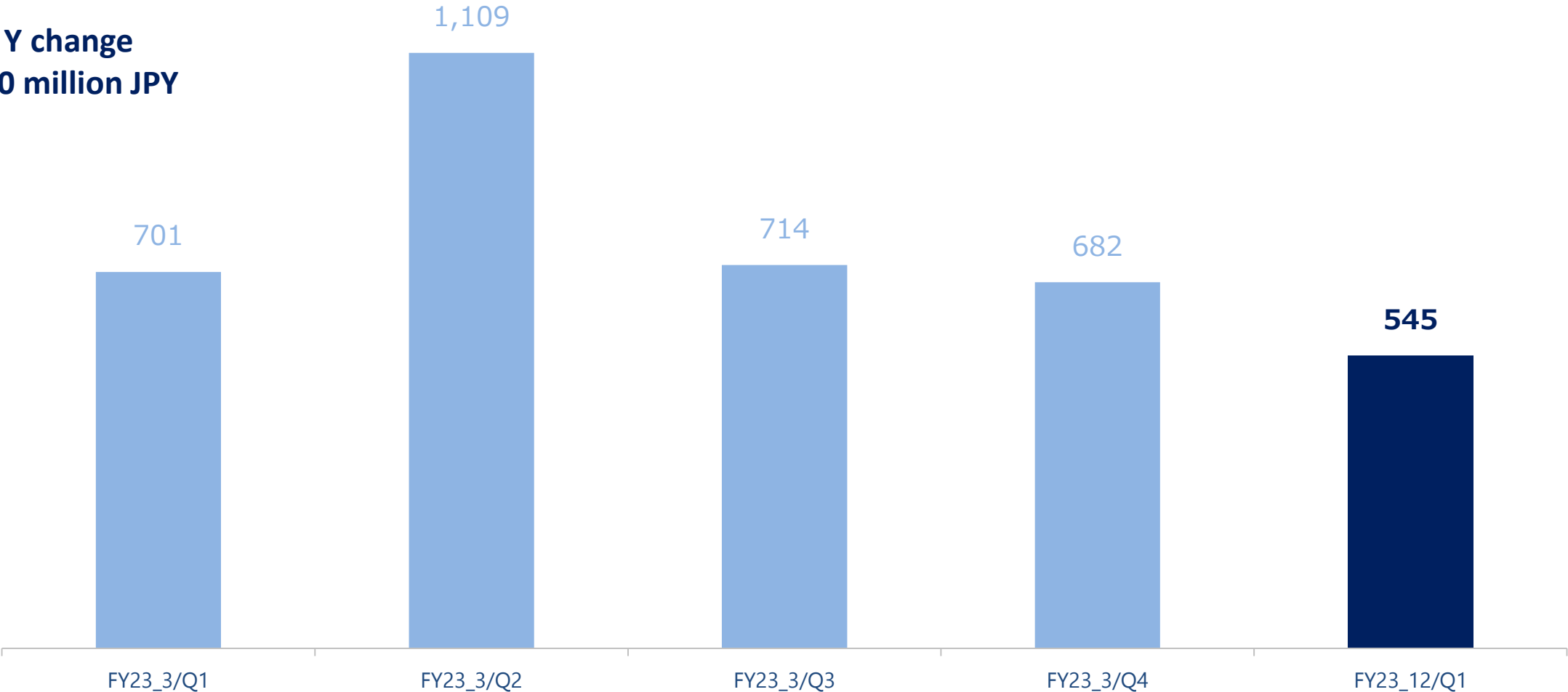
Quarterly Gross Profit

Unit ：Million JPY

Gross Profit

Y o Y change
- 90 million JPY

439	746	491	452	**345**
FY23_3/Q1	FY23_3/Q2	FY23_3/Q3	FY23_3/Q4	FY23_12/Q1
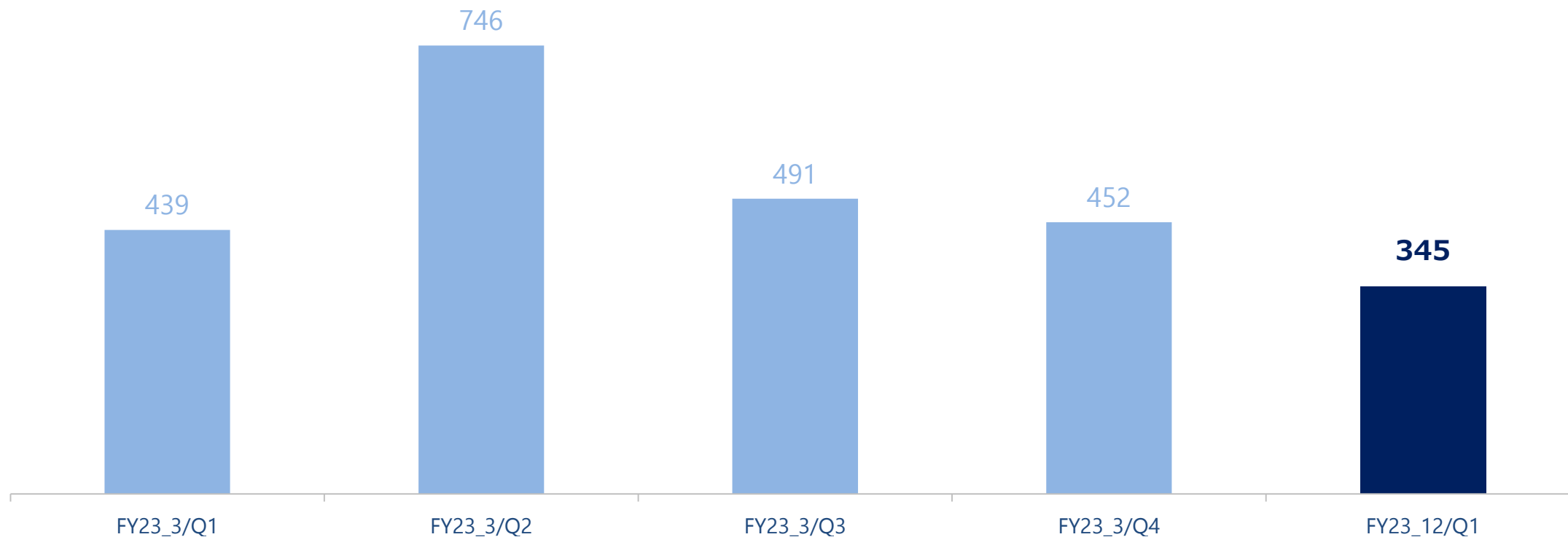
Quarterly Operating Income

Unit ：Million JPY

Operating profit

Y o Y change
-140 million JPY

	136	144	73	84	△ 10
	FY23_3/Q1	FY23_3/Q2	FY23_3/Q3	FY23_3/Q4	FY23_12/Q1
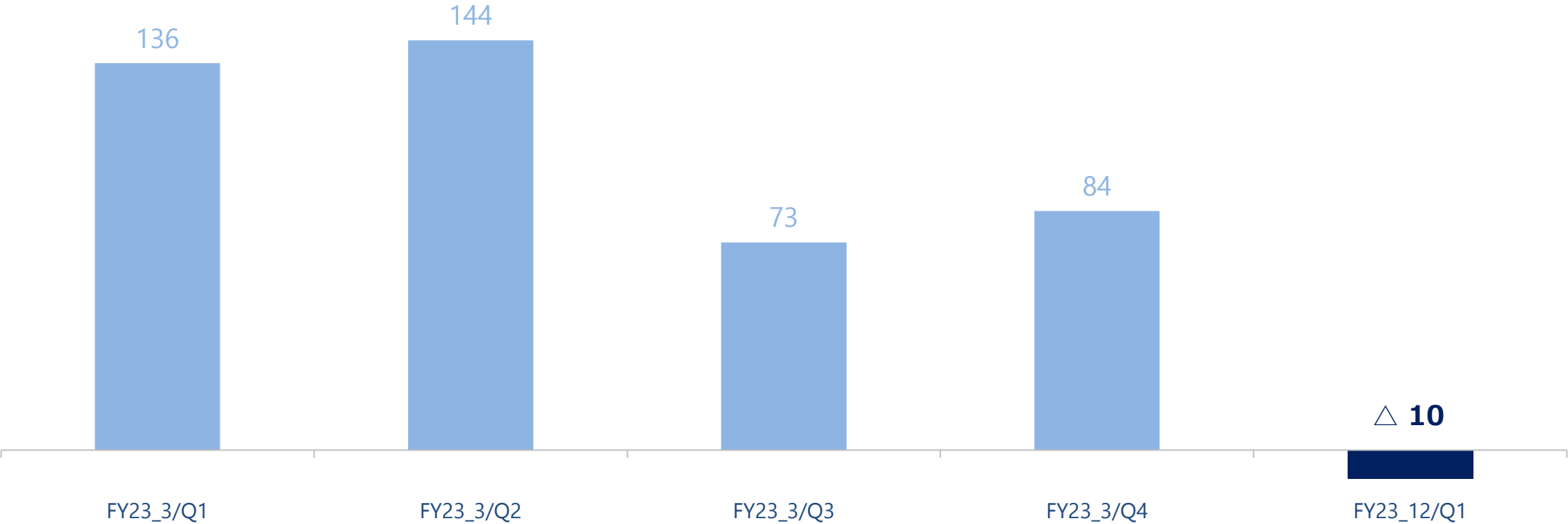
Quarterly Changes

Unit ：Million JPY

Profit attributed to Gala Inc.

99	72	10	136	1
FY23_3/Q1	FY23_3/Q2	FY23_3/Q3	FY23_3/Q4	FY23_12/Q1

Unit : Million JPY

Korea

- HTML5 game
- Meta Campus
- Others
- PC game
- Mobile apps

May.2022
Flyff Universe
SEA service started
June 2022
Global service started

Aug.2022
Flyff Universe
Japan service started
(Included in Korea segment due to operation by Gala Lab Corp.)

Nov. 2022
Flyff Universe
Taiwan service started
・**Meta Campus** started

	FY22/Q1	FY22/Q2	FY22/Q3	FY22/Q4	FY23_3/Q1	FY23_3/Q2	FY23_3/Q3	FY23_3/Q4	FY23_12/Q1
HTML5 game					502	947	513	479	410
Others	9	10	17	37	7	5	15	35	2
PC game	64	88	64	154	100	80	50	3	69
Meta Campus							79	99	
Mobile apps	20	18	24	35	77	69	49	57	57

GALA Global Online Community
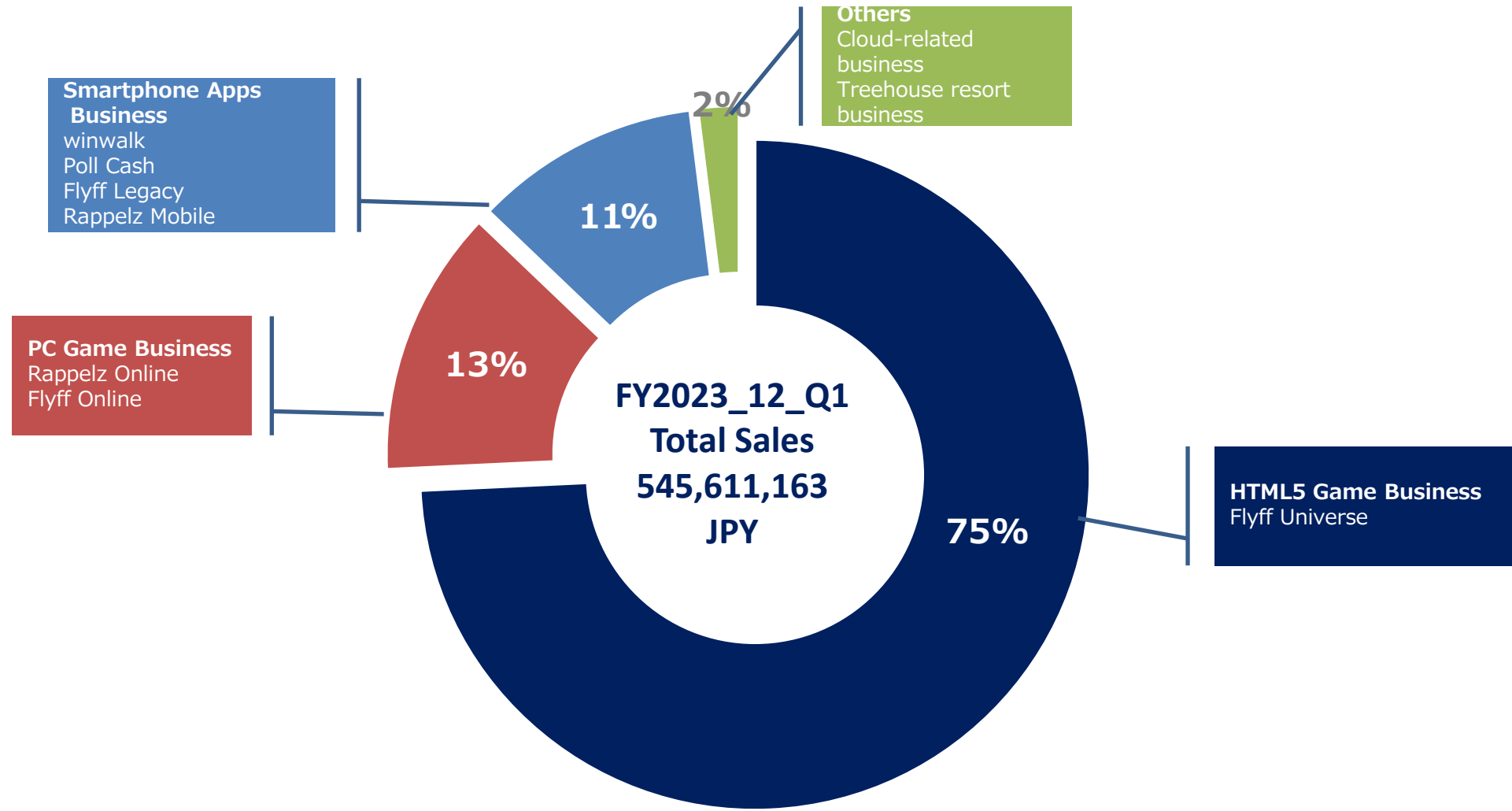
Segment Trend

Unit ：Million JPY

JAPAN

■ Cloud Business :

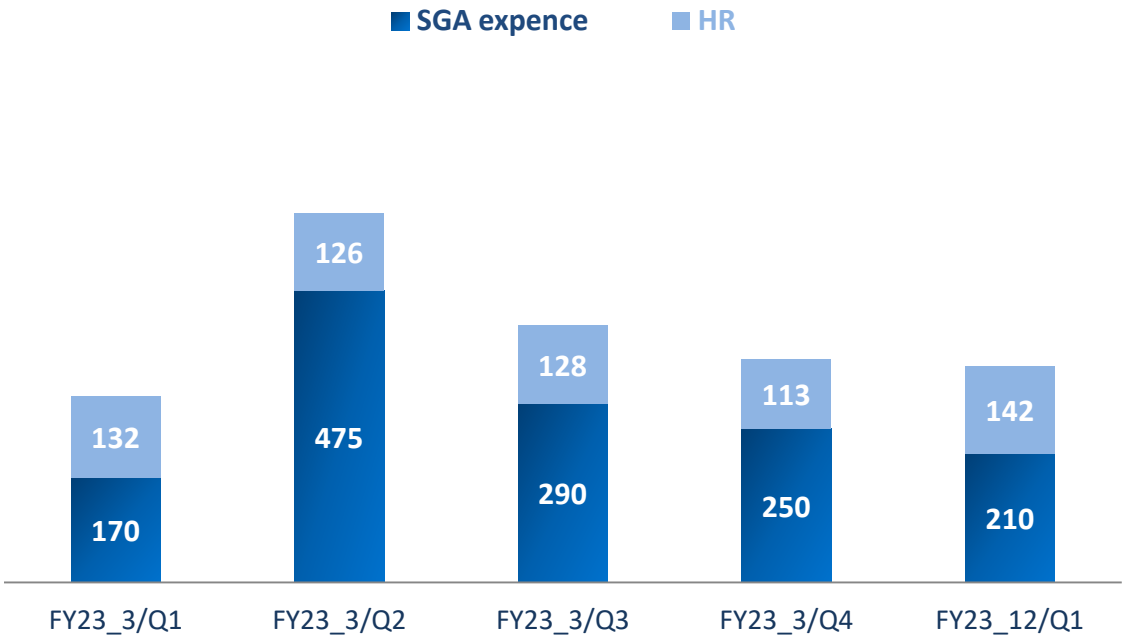Decrease in sales compared to the same period of the previous year due to change in contract type

■ Others

■ Smartphone apps

Others :
Cloud-related business
Treehouse resort Business

	FY22/Q1	FY22/Q2	FY22/Q3	FY22/Q4	FY23_3/Q1	FY23_3/Q2	FY23_3/Q3	FY23_3/Q4	FY23_12/Q1
Others	8	10	11	11	12	5	7	6	6
Smartphone apps			10	3					

Sales Performance Q1

Others
Cloud-related business
Treehouse resort business

Smartphone Apps Business
winwalk
Poll Cash
Flyff Legacy
Rappelz Mobile

PC Game Business
Rappelz Online
Flyff Online

FY2023_12_Q1
Total Sales
545,611,163
JPY

2%

11%

13%

75%

HTML5 Game Business
Flyff Universe

1

SGA Expense and HR

SGA expenses
Unit ：Million JPY

■ SGA expence ■ HR

	FY23_3/Q1	FY23_3/Q2	FY23_3/Q3	FY23_3/Q4	FY23_12/Q1
HR	132	126	128	113	142
SGA expence	170	475	290	250	210

Employees
Unit ：People

■ Director ■ Employees

	FY23_3/Q1	FY23_3/Q2	FY23_3/Q3	FY23_3/Q4	FY23_12/1Q
Employees	54	52	55	60	65
Director	14	14	14	15	15

◆ **SGA**
The increase was mainly due to an increase in advertising expenses in marketing activities related to "Flyff Universe" and an increase in value added tax and software amortization expenses resulting from an increase in sales.
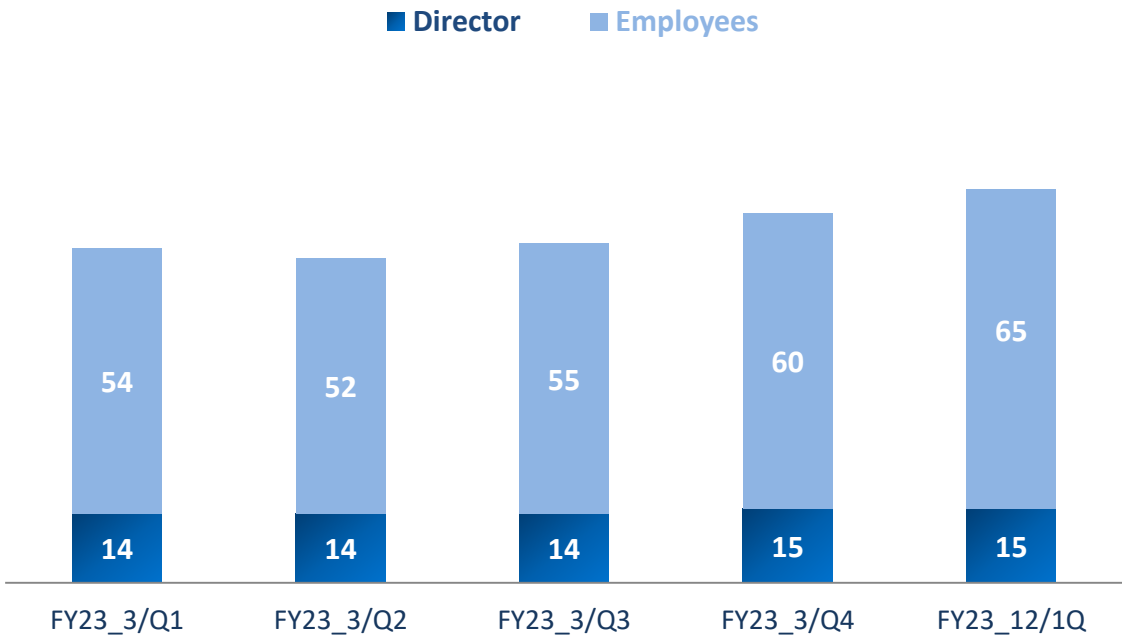
◆ **HR**
The number of employees increased compared to the same quarter of the previous year due to an increase in development personnel.

GALA
Global Online Community

Meta Campus Business

(Photo by LGUplus)

Yonsei university in Korea

Metaverse campus platform

ÜVERSE campus

Signed contracts with 6 universities

Sookmyung Women's University,

Yonsei University,

Korea Cheongju University, Soonchunhyang University, and Jeonju National University of Education,

Korea University of Broadcasting and Communication

Yonsei University is one of the top three universities in Korea

Meta Campus Business

Metaverse campus platform

In Japan
-Exhibited at EDIX Kansai (6/14~16)

Meta Campus Business

正門

屋外

教室

スタディルーム

広報館

相談室
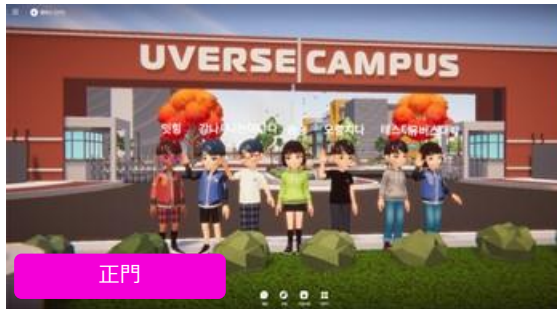
Metaverse campus platform

ÜVERSE campus

Schedule

Update Social
Networking function & Private space function
(Aug-Oct.2023)

Target：**5 universities**

Update Community space
(Oct-Dec. 2023)

Target：**10**

Universities
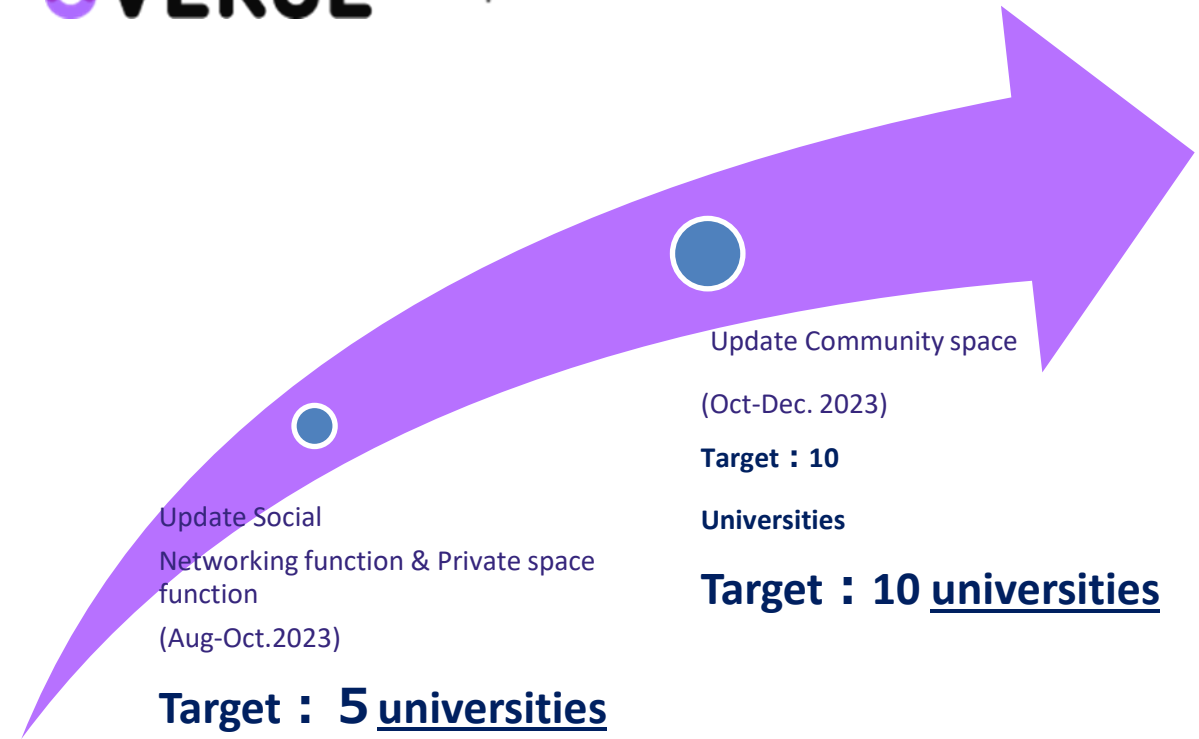
Target：**10 universities**

Game Business

HTML5 Game Flyff Universe

July 2023

Publishing and strategic alliance agreements signed
With BPMG & WEMADE CONNECT

Web 3.0 platform construction and provision	Development

BPMG Co.,Ltd

Global publishing

Game Business

HTML5 Game Flyff Universe

Schedule

NFT/ Block chain game
(Sep-Dec 2023)

Second major Update Korean Service
(July-Sep 2023)

Game Business

Rappelz Universe

Schedule

■ NFT/blockchain game with P2E functionality implemented on the former Rappelz Mobile.

EU
Oct-Dec.2023

Taiwan
Oct-Dec.2023

USA
July-Sep.2023

SEA
July-Sep.2023
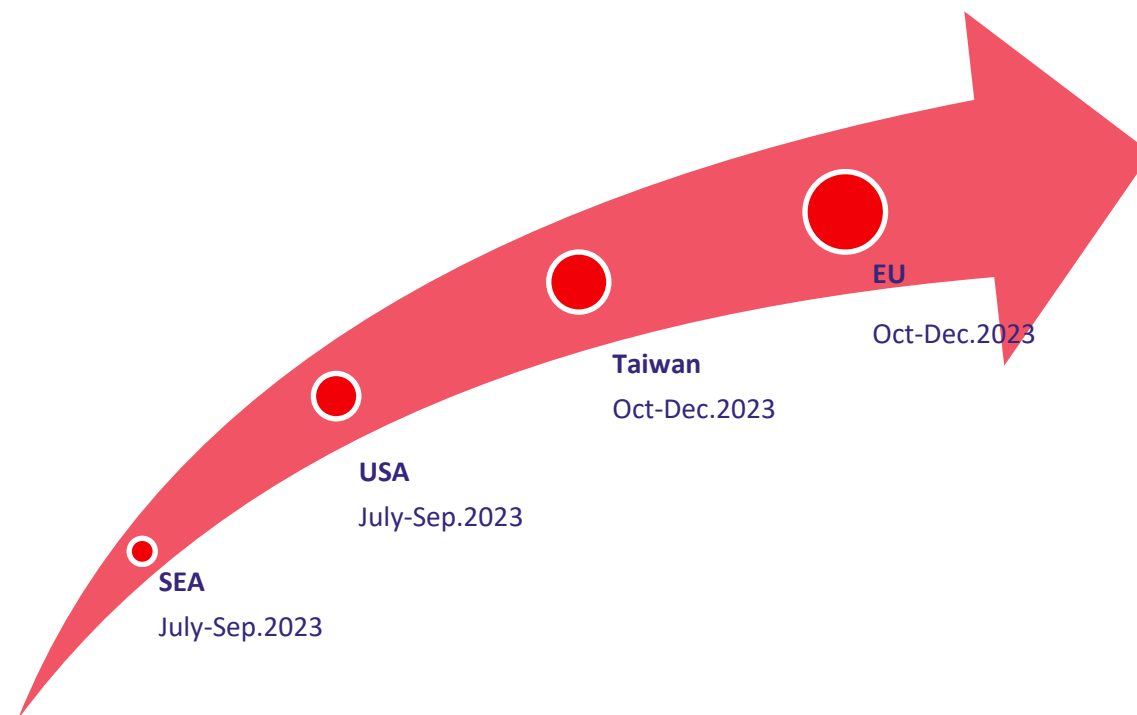
Game Business

Released game titles (by Gala Lab)

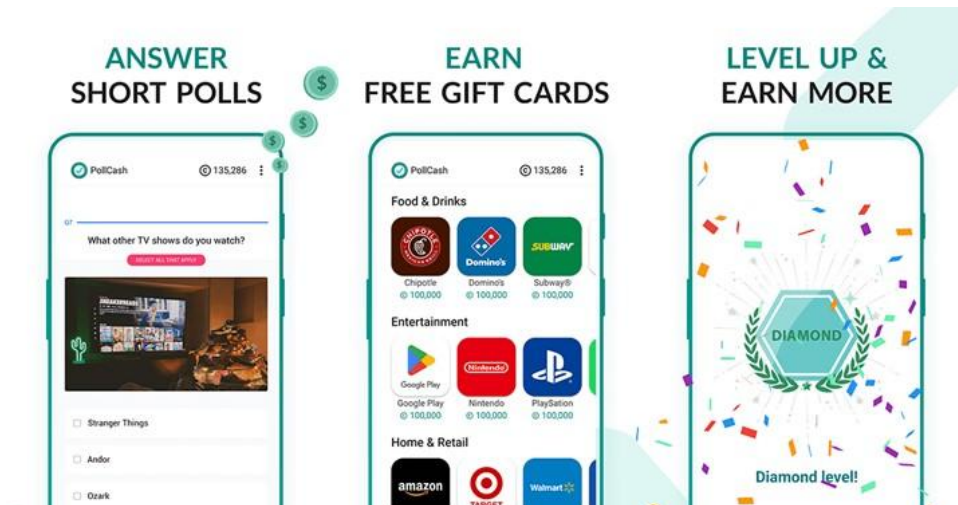| PC Games		Smartphone apps		HTML5 Game
2004〜	**2006〜**	**2016〜**	**2023〜**	**2022〜**
Flyff Online	**Rappelz Online**	**Flyff Legacy**	**Rappelz Universe**	**Flyff Universe**

Smartphone Apps Business

Released Smartphone apps (by Gala Mix)

winwalk
- Since 2018

  16 countries
- DL 3 million

  MAU(Monthly Active Users) 300K

Poll Cash
- Paid surveys app

  Answer short polls

  Earn gift cards and level up

Others

Listing of GHUB (GemHUB) tokens on the crypto asset exchange MEXC

GCP Limited, is a business partner of Gala Lab Corp.

Crypto Asset Exchange "MEXC Following the listing on the crypto asset exchange "LBank" on February 23, 2023 and the listing on the crypto asset exchange "BitMart" on March 9, 2023,

Third listing on a crypto asset exchange

Gala Lab Corp. was granted and holds GHUB (GemHUB) as a business partner.

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Thank you