

FY 2023 Dec report

Gala Inc

Standard market 4777

Jan 16th 2024

The GALA logo is positioned in the bottom right corner of the slide. It features the word "GALA" in a bold, white, sans-serif font. The letter "A" is stylized with a small white diamond shape integrated into its structure. The logo is set against a blue diamond-shaped background that overlaps with a red diamond shape on the left.

GALA

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Overview (consolidated)

Unit: Million JPY




	FY2023 March/3Q (Sep 2022-Dec 2022)	FY2023 Dec/3Q (Sep 2023-Dec 2023)	
Sales	714	515	△28%
Cost of sales	223	229	3%
Gross profit	491	285	△42%
SGA	418	471	13%
Operating profit	73	△185	
Ordinary profit	29	△183	
Profit attributed to Gala Inc.	10	△159	

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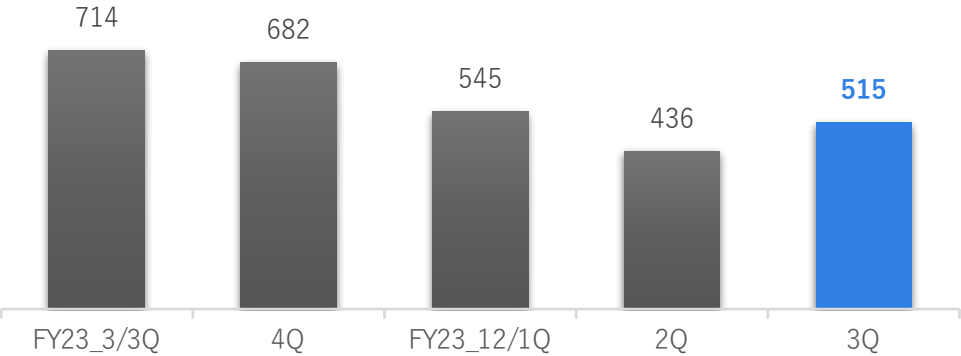
FY2023 Dec/3Q Financial Statement

Quarterly Changes

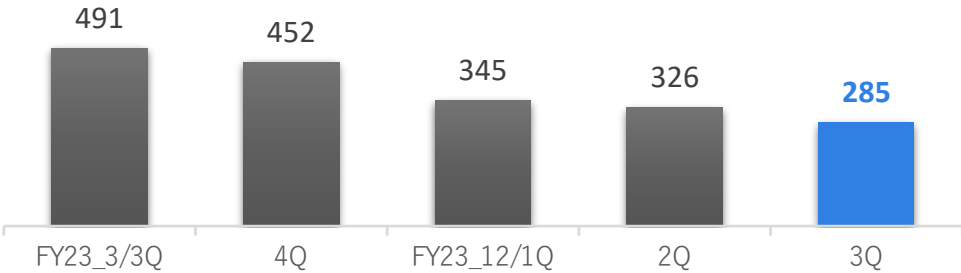
Unit: Million JPY



Sales



Gross Profit



Operating Profit



Profit attributed to Gala Inc.

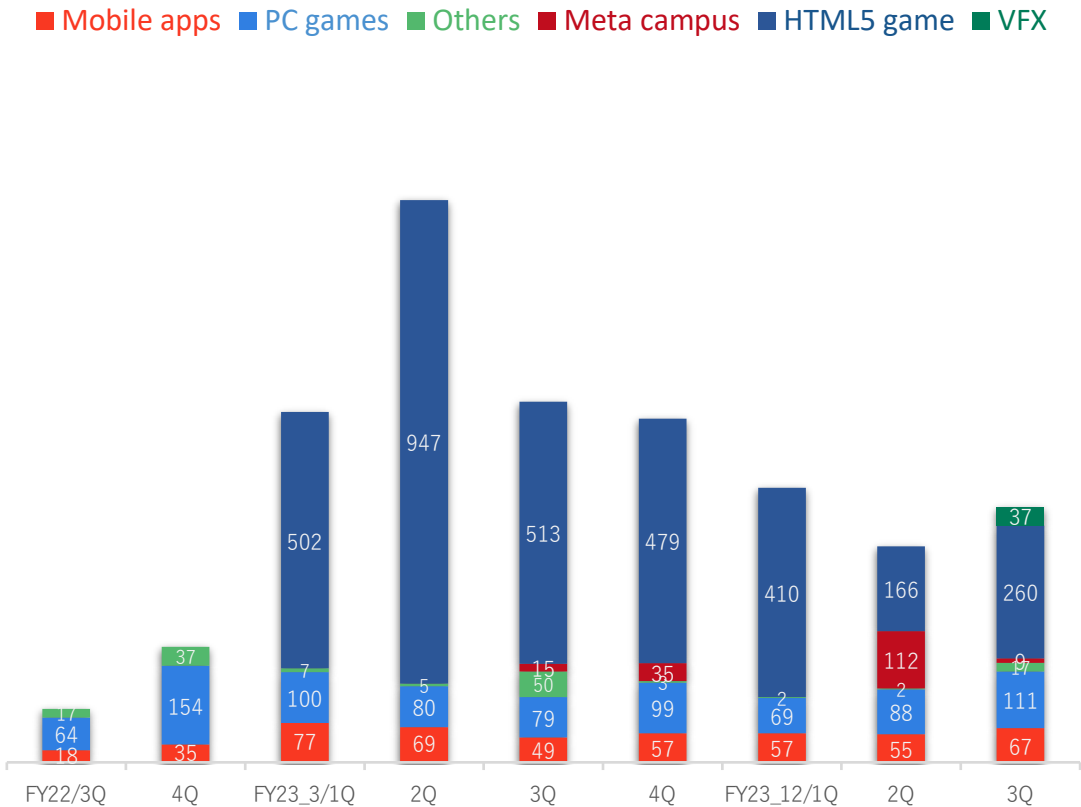


Segment Sales

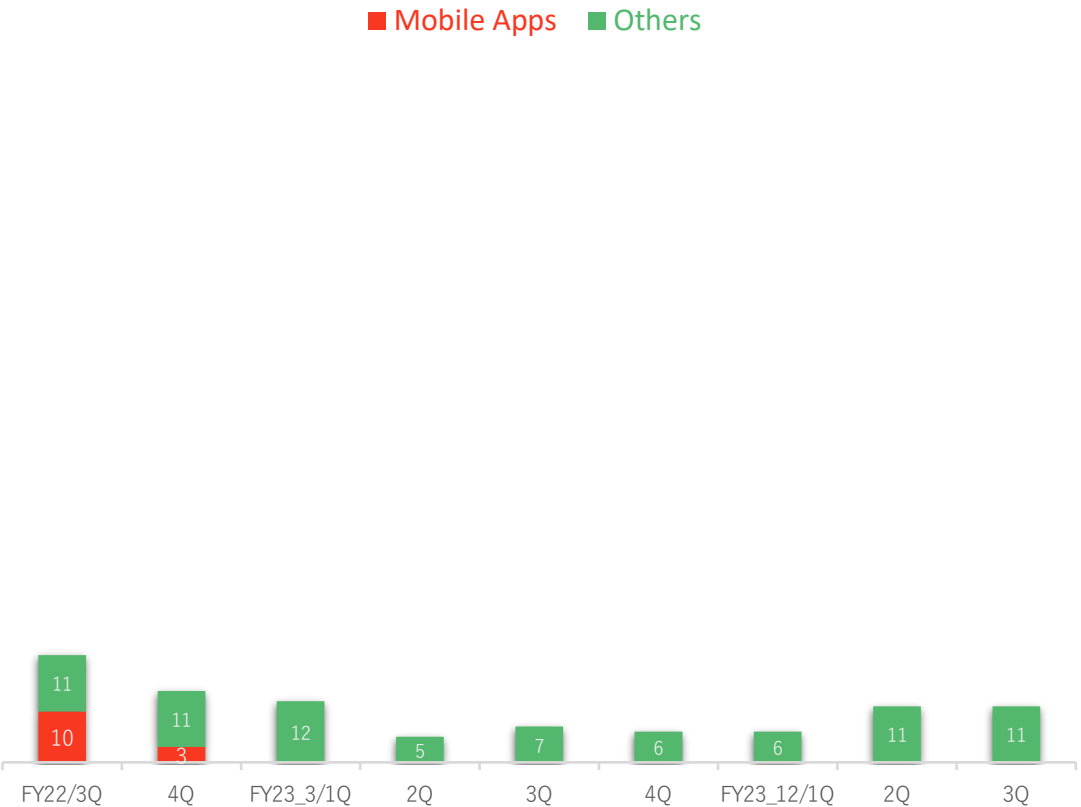
Unit: Million JPY



Korea

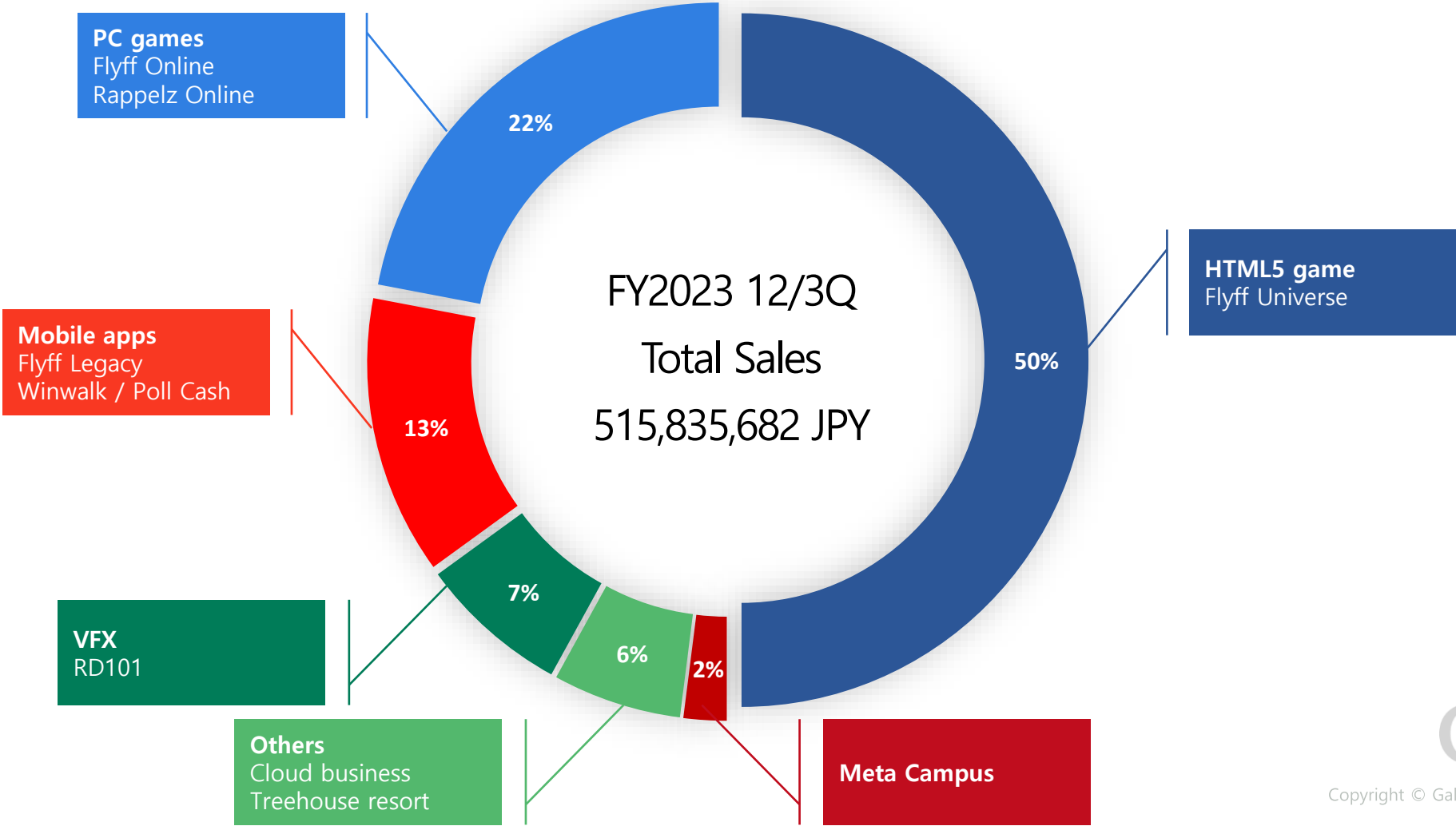


Japan



Since July 2023 (FY23_12 2Q), HTML5 game sales are recorded differently due to a change in the contract format. We have transitioned from publishing sales to licensing sales, which are based on license fees received. Consequently, sales have decreased compared to the previous quarters.

Sales Breakdown

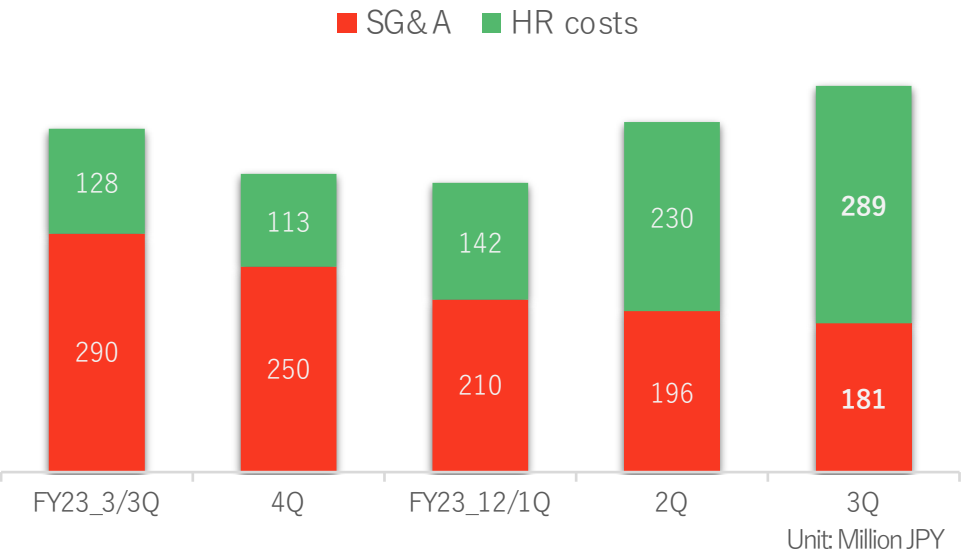


FY2023 Dec/3Q Financial Statement

SG&A and HR expenses

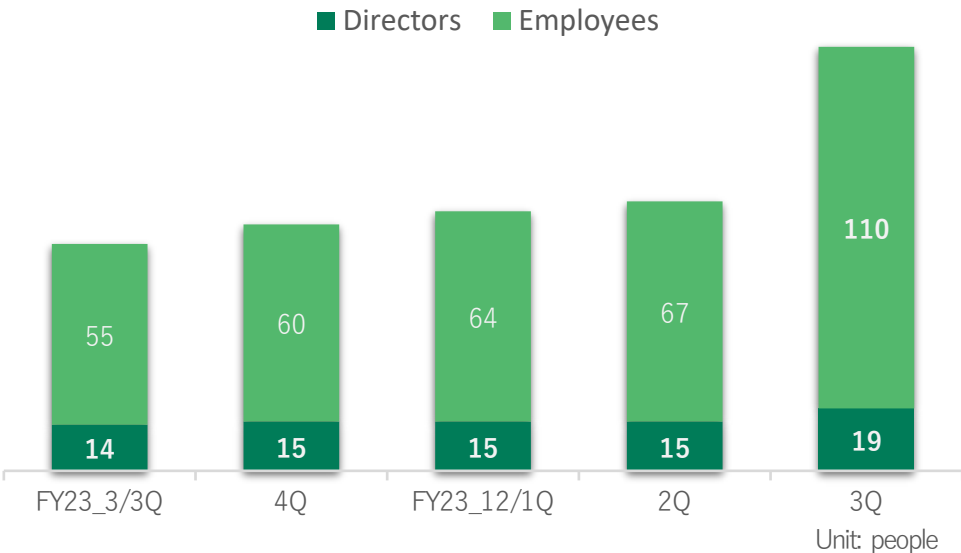


SG&A expenses



Selling, general, and administrative expenses saw an increase compared to the same period of the previous fiscal year (FY23 3Q), primarily attributed to rises in executive compensation, development staff, and subsidiary expenses.

Headcount



The number of employees has increased compared to the same period last fiscal year (FY23 3Q), primarily due to the addition of a new subsidiary (ROAD101).

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FY2023 Yearly Financial Results

Yearly Consolidated profit

Unit: Million JPY



FY2023_March(12 months) (April 1st 2022 ~ March 31st 2023)

FY2023_Dec(9 months) (April 1st 2023 ~ Dec 31st 2023)

Sales	3,207	1,497
Cost of sales	1,077	539
Gross profit	2,130	958
SGA	1,692	1,254
Operating profit	437	△296
Ordinary profit	400	△262
Net income	525	△271
Net income attributed to non-controlling interests	205	△40
Net income attributed to Gala Inc.	320	△230

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Due to a change in the fiscal year-end, the fiscal year ending in December 2023 only lasted nine months, from April 1st to December 31st.


Consequently, the year-on-year change rate for this fiscal year is not stated.

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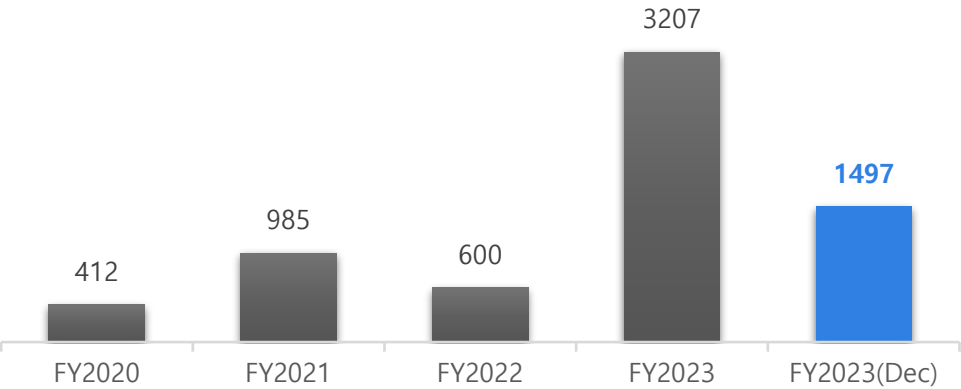
FY2023 Dec/3Q Financial Statement

Annual Comparison

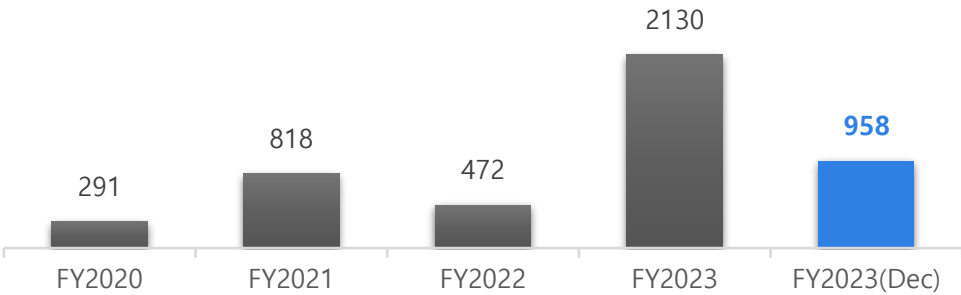
Unit: Million JPY



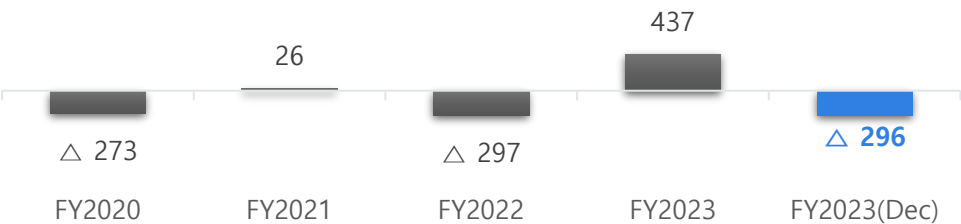
Sales



Gross Profit



Operating Profit



Net Income



Balance Sheet Summary

Unit: Million JPY



	FY2023_March(12 months) (April 1 st 2022 ~ March 31 st 2023)	FY2023_Dec(9 months) (April 1 st 2023 ~ Dec 31 st 2023)
Current assets	2,181	1,721
Fixed assets	273	560
Intangible fixed assets	109	511
Investment & other assets	459	562
Fixed assets	841	1,634
Current liabilities	311	796
Long-term liabilities	477	545
Net assets	2,234	2,014
Liabilities and net assets	3,023	3,355

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Due to a change in the fiscal year-end, the fiscal year ending in December 2023 only lasted nine months, from April 1st to December 31st.

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Cashflow Trend (consolidated)

Unit: Million JPY



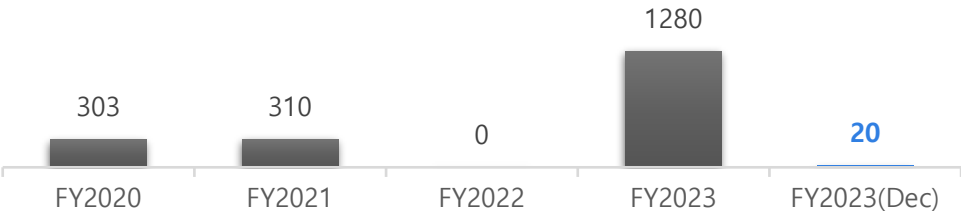
CF from Operating Activities



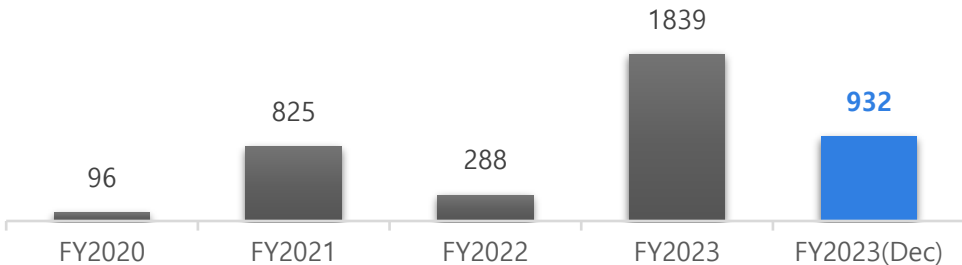
CF from Investing Activities



CF from Financing Activities



Cash and Cash Equivalents



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Business Summary

New Company Logo



Gala Group refreshed its [logo and corporate identity](#) to mark its 30th anniversary.



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Business Summary

New VFX Business

Subscription for new shares of ROAD101 Co., Ltd.
via third-party allotment

Strengths of RD101

- ◆ Digital Human technology capable of reproducing highly realistic facial expressions in 4D (3D + time axis).
- ◆ Shortens development time to one-third of that of other companies.

*VFX, short for visual effects, denotes the technology used to create on-screen effects that surpass what's possible in reality, and is commonly utilized in films, TV shows, and various visual productions.



S T U D I O
RD101



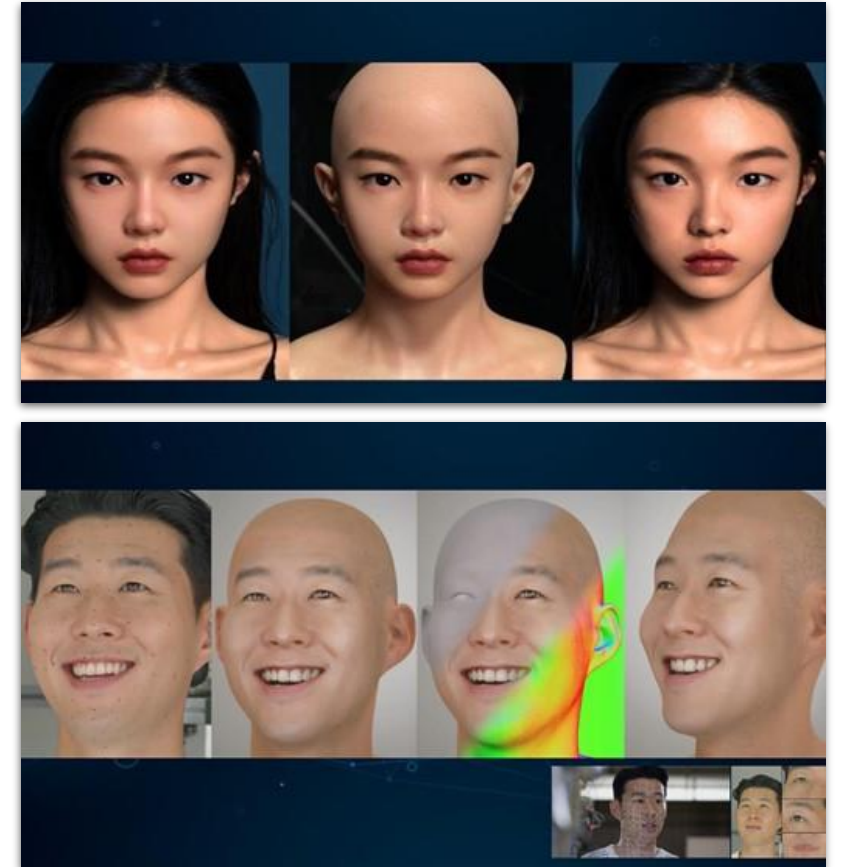
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New VFX Business

ROAD101 Co., Ltd. (Korea) has entered into a contract with [YUKE'S Co., Ltd. \(Japan\)](#) for Digital Human technology.

We aim to enrich user experience through captivating visuals, all the while driving profitability and elevating the overall corporate value of our group.



Business Summary

New VFX Business



RD101 works



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Business Summary

AniPang3 HTML5 version

Gala Lab Corp. has entered into a contract with [Wemade Play Co., Ltd. \(Korea\)](#) to develop the HTML5 version of the hit mobile game AniPang3.

About AniPang

- ◆ Casual mobile game with a record of 7 million daily users and 2 million concurrent users.
- ◆ Recorded sales of 24 billion KRW in its first year of release.



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Blockchain Games – development delay

About Flyff and Rappelz blockchain versions

We regret to inform you that the launch of the blockchain version of 'Flyff Universe' has been postponed due to delays with our blockchain partner.

Similarly, the release of the NFT/blockchain game 'Rappelz Universe' has been postponed as we await finalization of crypto asset regulations by the Korean government.

We apologize for any inconvenience and appreciate your understanding.



Game Business



PC Games

2004 ~



Flyff Online

2006 ~



Rappelz Online

Smartphone Games

2016 ~



Flyff Legacy

Under
Development



Rappelz Universe

HTML5 Game

2022 ~



Flyff Universe

Mobile Apps

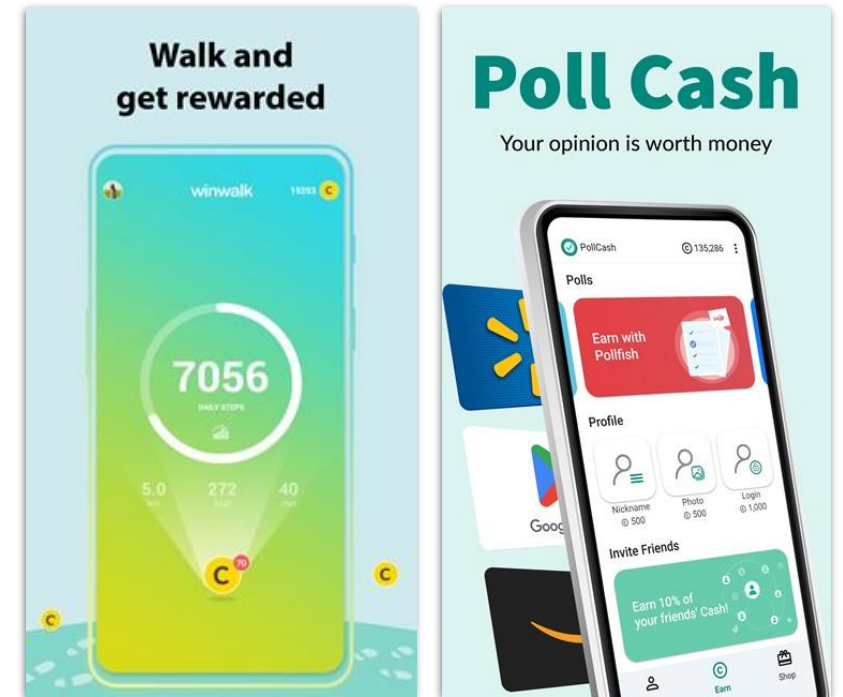


About winwalk

- ◆ Rewarded pedometer app
- ◆ Since 2018, now published in 23 countries
- ◆ Over 3 million downloads and 300K monthly active users

About Poll Cash

- ◆ Paid survey app
- ◆ Earn free gift cards by answering short surveys



Treehouse Business



Sustainable resort in Okinawa, Japan

- ◆ Opening of new 'Halcyon' tree house
- ◆ Spring Picnic event on March 10, 2024

First 100 guests, check Instagram for details! 

Took over a capital increase through third party allocation.

- ◆ Gala Inc. took over Treeful Inc's capital increase through third-party allocation.(Approved by the Gala Inc. BOD on Jan 31st.)

Gala Inc. acquired an additional 15.7% of the Treeful's shares, bringing our equity ratio is now 24.4%.

*For details, please refer to page 17 of the Financial Results disclosed today.

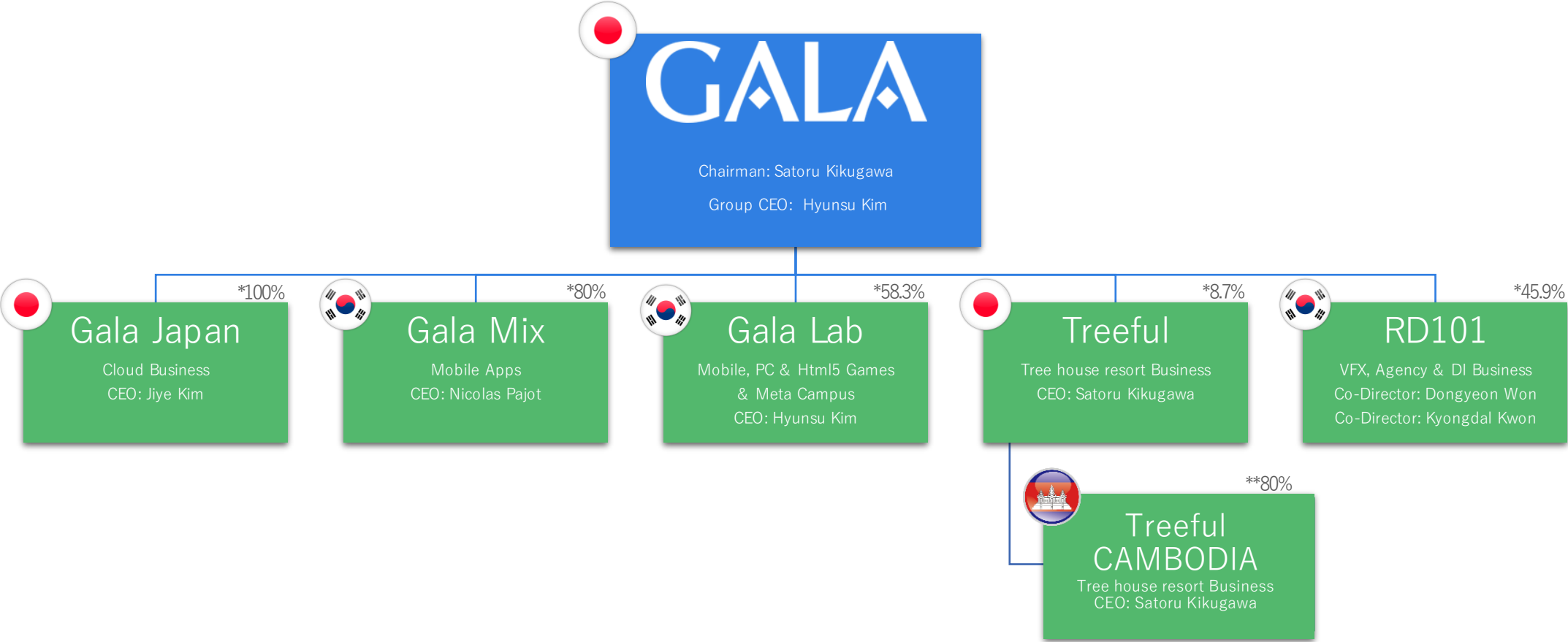


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Gala Group Organization



* Percentage of shares held by Gala Inc.
To ensure clear responsibility, each CEO invested in his/her respective company.
**Treefull shareholding ratios.

Thank you.



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