



## Notice of Divestiture of Subsidiary

Tokyo, Japan – April 25, 2012 – Gala Inc. today announced that it has resolved at the meeting of the board of directors held today to sell all outstanding stock of consolidated subsidiary Gala Buzz Inc. to hottolink, Inc. This will result in Gala Buzz no longer being a consolidated subsidiary of Gala Inc.

### 1. Purpose of divestiture

The Gala Group is a global network of businesses primarily focused on providing online communities and games to users around the world.

To focus further on this core business, the Group will divest Gala Buzz Inc. to secure funds and other resources necessary to further expand its online games operations in Europe and its new smartphone games business.

### 2. Method of divestiture

The divestiture will be through a share transfer agreement, with the consideration to be paid in money.

### 2. Method of divestiture

(1) Company name	Gala Buzz Inc.	
(2) Address of main offices	2F Shibuya Prestage Building, 3-12-22 Shibuya, Tokyo	
(3) CEO	Masahiro Sano	
(4) Business domain	Data mining and related services	
(5) Capital	JPY 10,000,000	
(6) Established	December 3, 2007	
(7) Major stockholders	100% of outstanding stock owned by Gala Inc.	
(8) Relationship with Gala Inc.	Capital relationship	Gala Inc. owns 100% of the outstanding stock of Gala Buzz Inc.
	Personnel relationship	1 director and 2 employees of Gala Inc. are directors and 1 auditor is an auditor of Gala Buzz Inc. 8 employees are loaned.
	Business relationship	Gala Inc. allows use of its patents to Gala Buzz Inc.
	Relationship of the affiliated parties	Gala Buzz Inc. is a subsidiary of Gala Inc.

(9) Consolidated operating results and financial position for the immediately preceding three years			
	FY2009 3Q	FY2010 3Q	FY2011 3Q
Net assets	127	165	212
Total assets	160	227	256
Net asset value per share (Yen)	637,211.37	827,943.22	1,062,805.86
Sales	313	286	283
Operating profit	96	78	89
Pretax profit	97	82	95
Net profit	68	44	55
Net profit per share (Yen)	342,350.27	224,731.85	279,362.63
Dividend per share (Yen)	34,000.00	44,500.00	69,841.00

#### Overview of the acquiring company

(1) Company name	hottolink Inc.
(2) Address of main offices	Tokyu Bancho Building, 6 Yonbancho, Chiyoda-ku, Tokyo
(3) CEO	Koki Uchiyama
(4) Business domain	Social media analysis and recommendation
(5) Capital	JPY 201,996,000
(6) Established	June 26, 2000
(7) Major stockholders	OPT Inc. 74.40% Koki Uchiyama 19.30%
(8) Relationship with Gala Inc.	There is no capital, personnel, or business relationship between the concerned party and Gala Inc..

#### 5. Number of shares held before and after the acquisition

- (1) Number of shares held before the acquisition: 200 (100% of outstanding shares)
- (2) Number of shares to be sold: 200 (100% of outstanding shares)
- (3) Number of shares to be held after sale: 0 (0% of outstanding shares)
- (4) Price for sale of shares: JPY 300 million
- (5) Basis for calculation of price:

DCF method, taking into account the assets of Gala Buzz Inc. and the patents held by Gala Inc.

## 6. Schedule of transfer

- |                                       |                          |
|---------------------------------------|--------------------------|
| (1) Board resolution:                 | April 25, 2013           |
| (2) Date of share transfer agreement: | April 25, 2013 (planned) |
| (3) Date of share transfer:           | May 31, 2013 (planned)   |

## 7. Impact on fiscal results

Gala Inc. plans to post extraordinary profits from this divestiture in FY 2013, but impact on consolidated business results is still under evaluation. Projections for consolidated results for FY 2013 will be included in the financial statements for FY 2012 that are to be disclosed on May 15, 2012.

### Contact:

Yuichi Sakurai

Group Chief Financial Officer, Gala Inc.

TEL: 03-5778-0321 (+81-3-5778-0321 from overseas)

*Disclaimer: This summarized translation is provided for convenience only. In the event of any discrepancy with the Japanese original, the original shall prevail.*