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May 30, 2024

Company Name	Gala Inc.
Representative's name	Hyunsu Kim, Representative Director and Group CEO (Code: 4777, Standard Market)
Contact	Yuki Okamoto, Director and CFO

Notice regarding the establishment of a special investigative committee

We would like to announce that at the Board of Directors meeting held today, it was resolved to establish a special investigative committee as detailed below.

1. Background to the establishment of the Special Investigation Committee

Recently, we have been informed by an external organization that there are doubts regarding the appropriateness of the capitalization of software at our consolidated subsidiary, Gala Lab Corp., which began to be capitalized in the fiscal year ended March 2016 and for which an impairment loss of 228,257,000 yen was recorded in the fiscal year ending March 2021 (hereinafter, the doubts are referred to as the "Matter").

In order to investigate the facts of this matter and fulfill our responsibility to our shareholders and other stakeholders, we have decided to establish a special investigative committee effective as of today, which will be composed of external experts with no vested interest in the Company.

2. Composition of the Special Investigation Committee

Chair: Toraki Inoue (Certified Public Accountant, Accounting Advisory Co., Ltd.)

Member: Nanako Ito (Attorney-at-Iwata Godo Attorneys and Counsellors at Law)

Member: Muto Yuuki (Lawyer and Certified Public Accountant, Iwata Godo Attorneys and Counsellors at Law)

3. Purpose of the Special Investigation Committee

- ① Investigation of the facts surrounding this case
- ② Investigating whether there are any incidents similar to this case
- ③ Calculation of the impact of ① and ② above on the consolidated financial statements
- ④ Analysis of the cause of this incident and proposal of measures to prevent recurrence
- ⑤ Other matters that the Special Investigation Committee deems necessary.

4. Future measures

We will fully cooperate with the investigation by the Special Investigation Committee and will proceed with the investigation as soon as possible.

We will promptly notify you of the results of the investigation by the Special Investigation Committee once we receive the investigation report. In addition, if there are any matters that need to be disclosed during the course of the investigation by the Special Investigation Committee, we will promptly make them public.

We sincerely apologize to our shareholders, investors and other related parties for the inconvenience and concern caused.