Explanation of FY2020 Q３

(2019/10/1-2019/12/31)

Gala Inc.

2020/2/7

I. Q3 Financial Statement

II. Business Report

III. GALA Group Structure

I. Q3 Financial Statement

YOY

(Unit : Million JPY)

FY2020 Q3 Performance Highlights

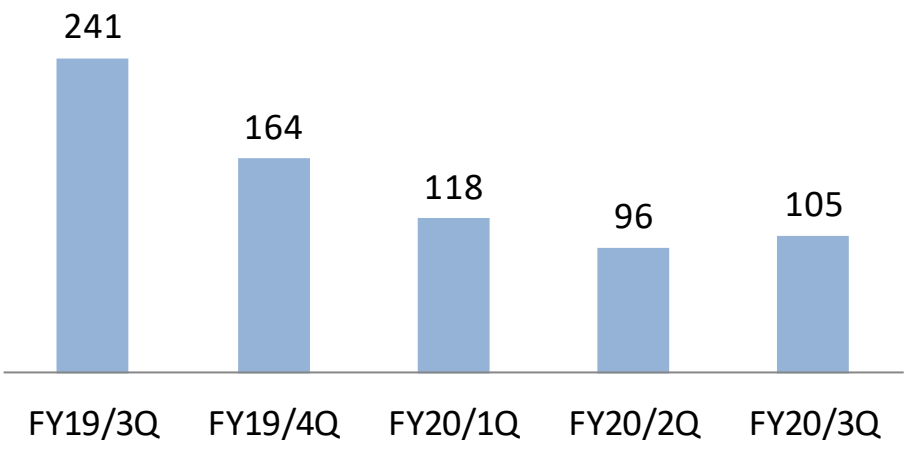
	FY2020 Q3	FY2019 Q3	Change
Sales	**105**	241	-56%
COS	**27**	58	-52%
Gross Profit	**77**	183	-57%
SGA	**124**	221	-43%
Operating Profit	△ **47**	△ 37	-
Ordinary Profit	△ **36**	△ 44	-
Net Income attributable to parent company	△ **70**	△ 49	-

Sales decreased in 3Q due to the termination of「Arcane」and「FOX」in Japan , and the organic decrease of「Flyff Legacy」sales.

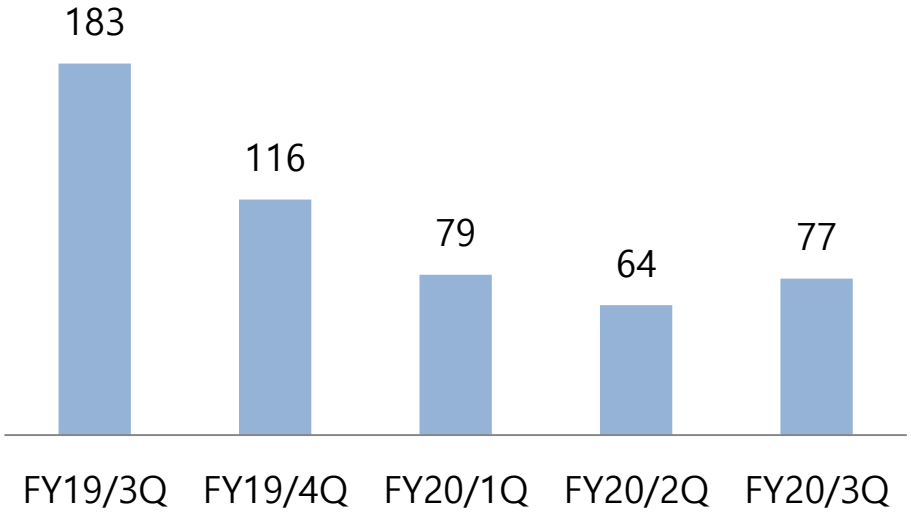
I. Q3 Financial Statement

(Unit : Million JPY)

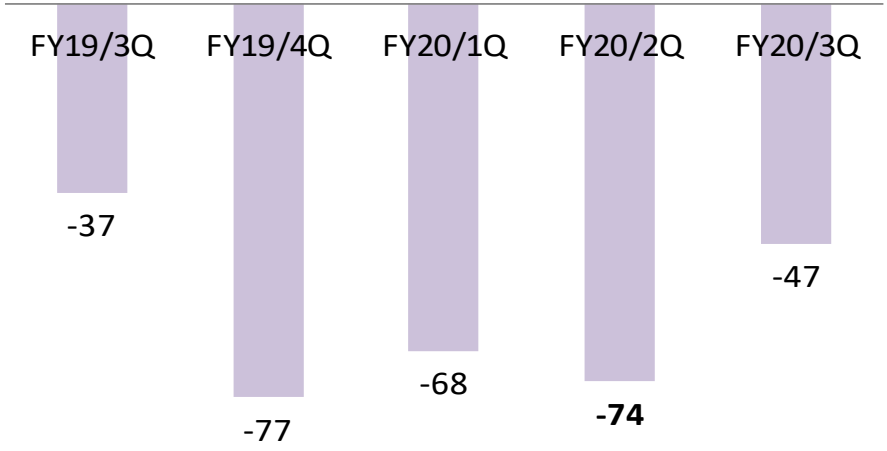
Sales



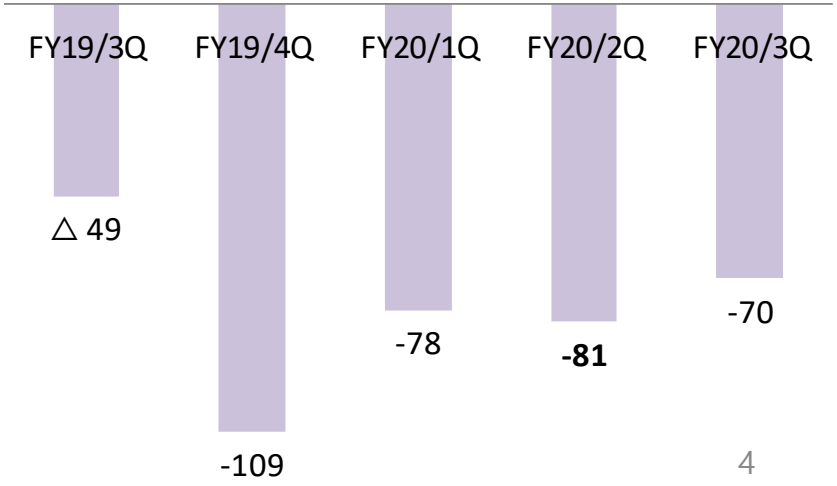
Gross Profit



Operating Profit

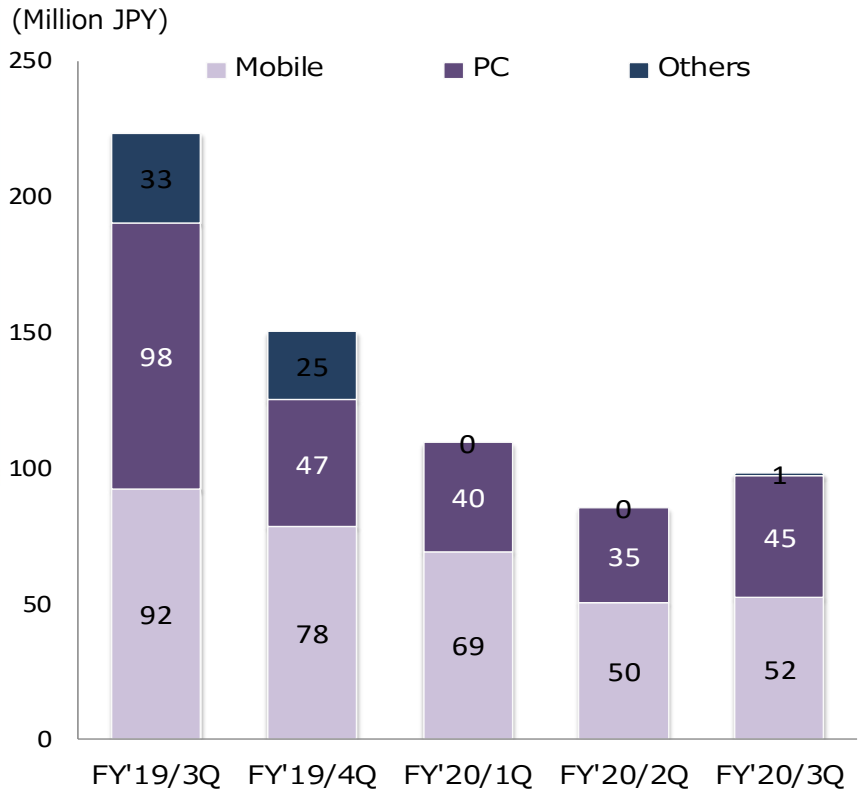


Net Income

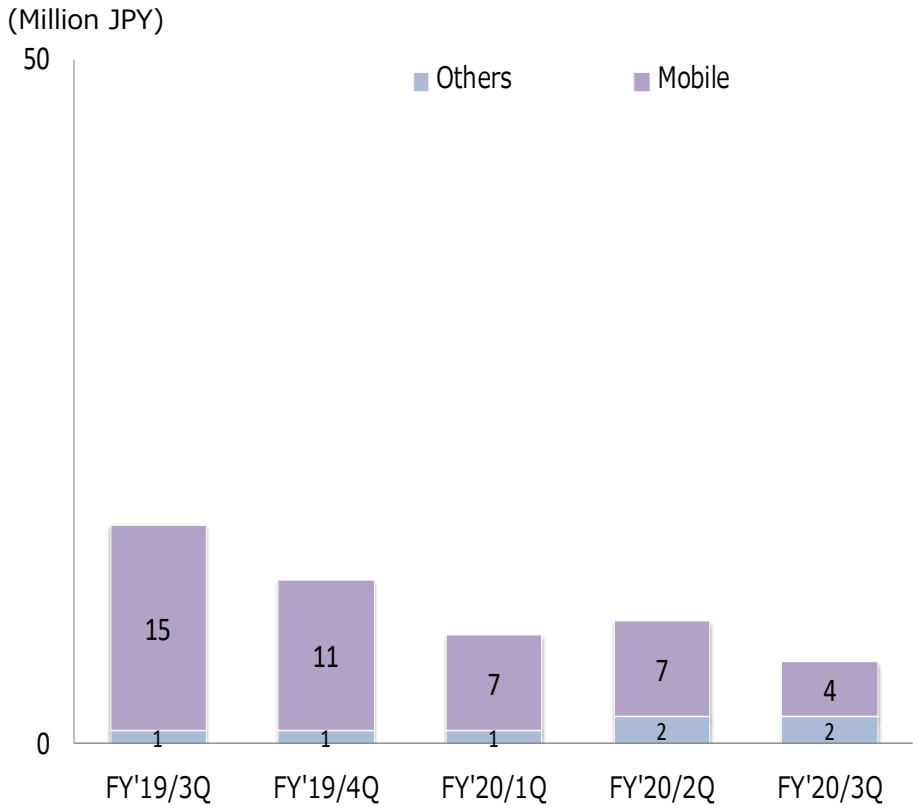


I. Q3 Financial Statement

Korea Sales



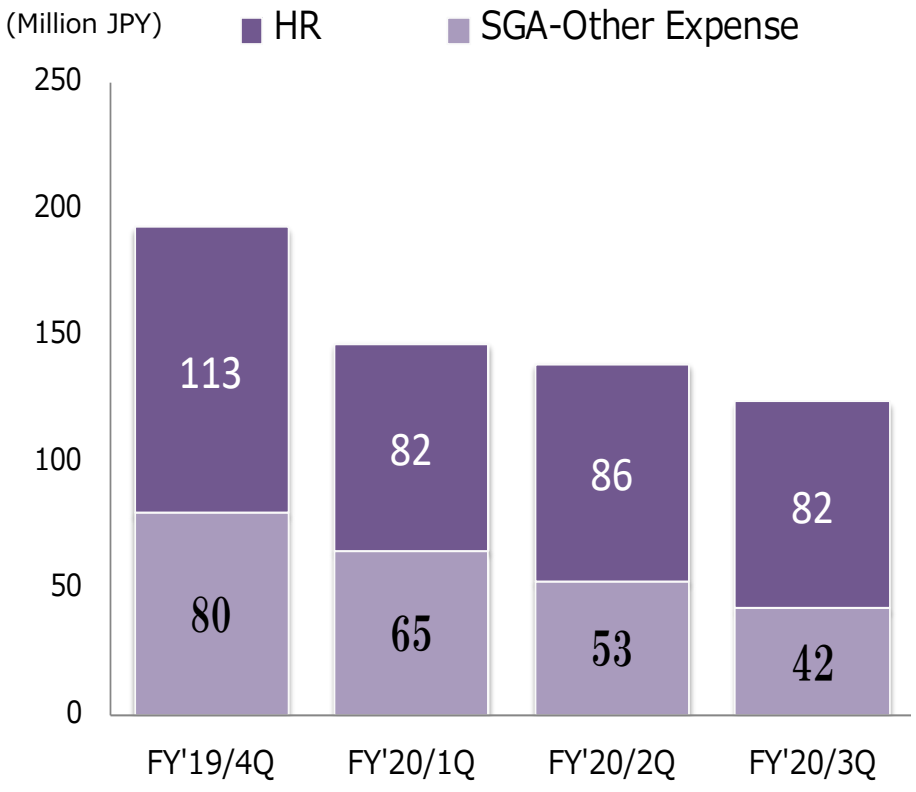
Japan Sales



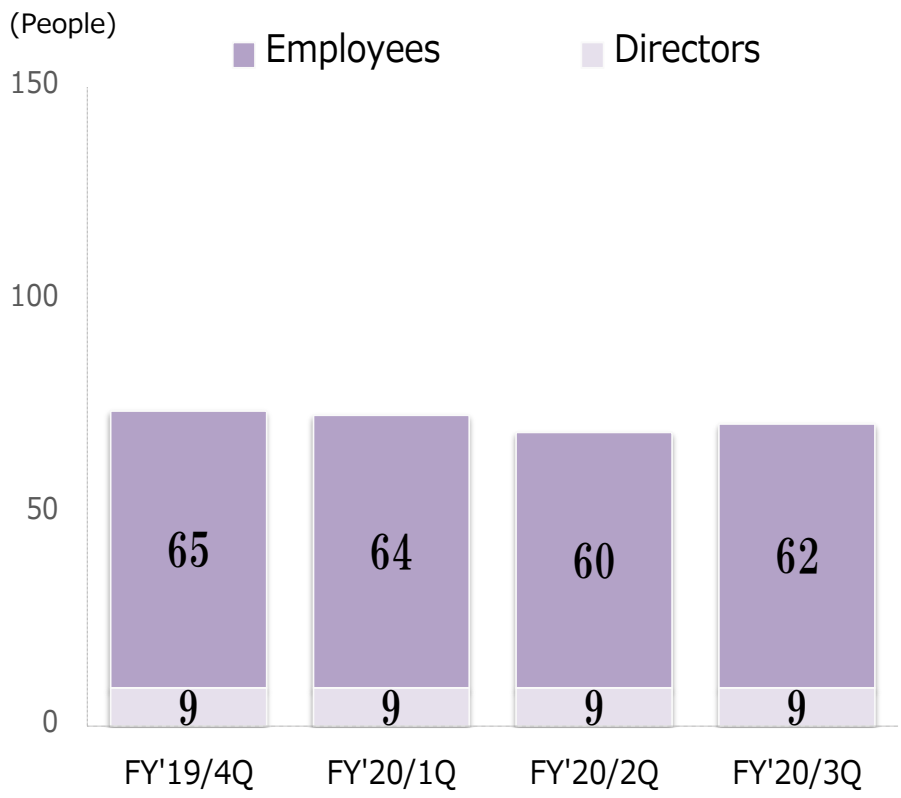
Korea: quarterly decrease of Flyff Legacy sales.
Japan: termination of Arcane and Fox mobile game services.

I. Q3 Financial Statement

HR and other costs



Employees



SGA decreased due to lower marketing costs for “Flyff Legacy” and a decrease in office rental fee of a consolidated subsidiary, Gala Lab Corp. that relocated the head office.

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II. Business reports
(Mobile Apps under development)

【RAPPELZ Mobile】

Pre registration	**Started 2020.01.15 (SEA)**
Official Launch	**FY2020 Q4 (SEA)**

II. Business reports
(Mobile Apps under development)

PROJECT
EL SALVADOR

【EL SALVADOR】

Developed by	Gala Lab Corp.
Official Launch	FY2021 (Scheduled)

II. Business reports (Mobile Apps under development)

- **Q3** Improvements
- **Q4** CBT in SEA & start the service
- **FY 21** Start the service in Korea
- **FY 21** Start the service in N.A. and Europe

FY2020 | FY202 1

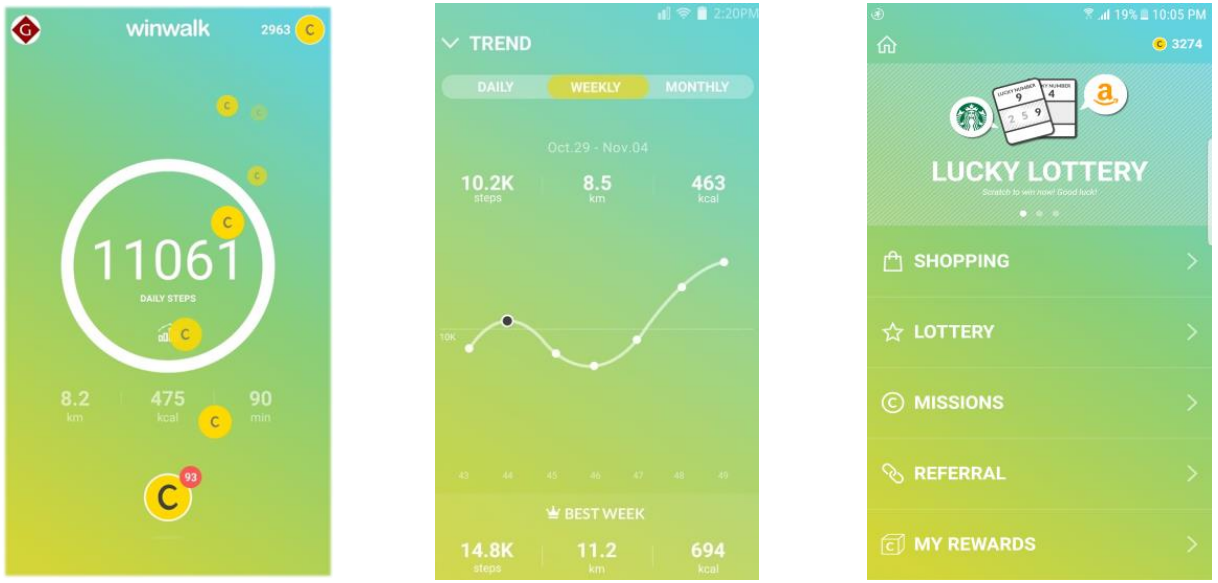
- **Q3** Under development
- **Q4** Improvements
- **FY21** CBT in SEA
- **FY21** OBT in SEA

FY2020 | FY202 1

*This schedule might be adjusted due to the development status.

II. Business reports (Mobile Apps in service)

winwalk



【winwalk】

Over 500,000 downloads since launch
Rank 5 in France “Health” category (Android, Oct.19)
Sales +87% QoQ

II. Business reports (Mobile Apps in service)

ARCANE ONLINE

Service Area:
NA, EU, LATAM, SEA

Flyff Legacy
FLY FOR FUN

Service Area:
NA, EU, LATAM, SEA, East-Asia, Oceania, Middle East

II. Business reports (Other activities)

Cloud Business

Cloud Innovator MEGAZONE

+

GALA Global Online Community

・Providing service in Japan.

VR Business

MONSTER VR

・Preparing game contents

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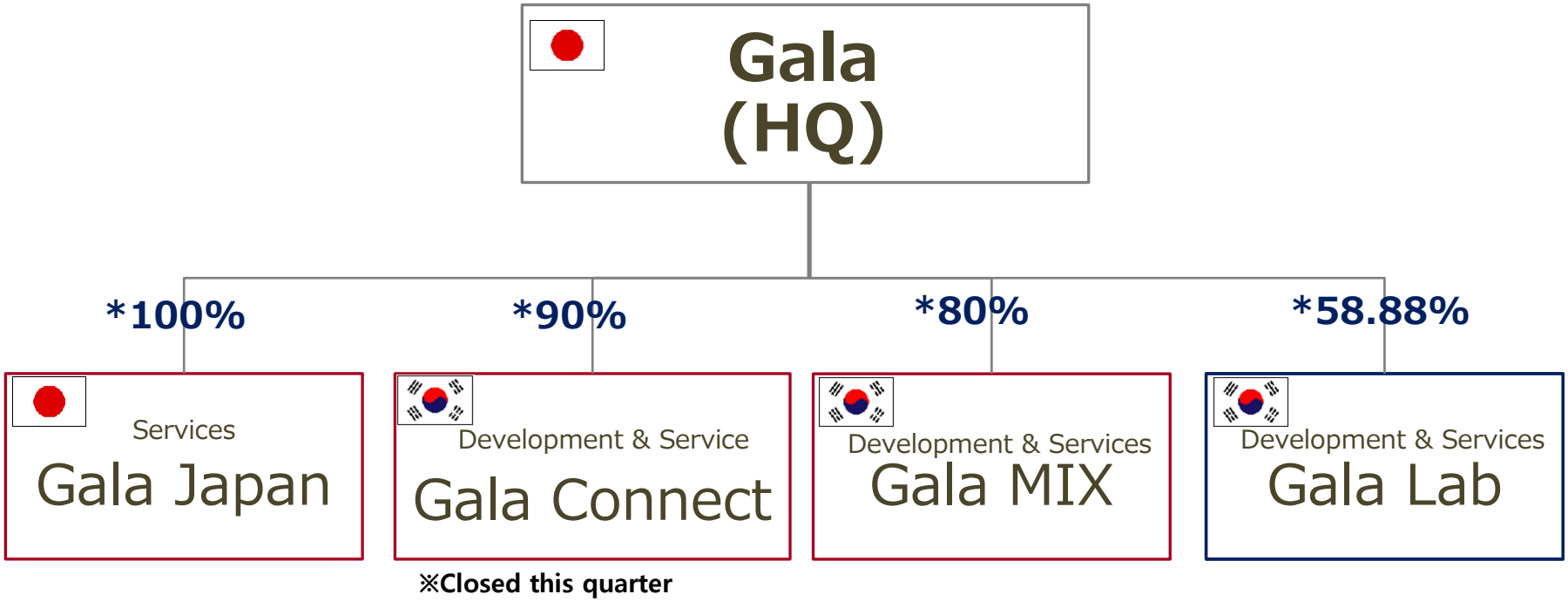
III. Gala Group Structure



***holding ratio of Gala Inc.**

the directors of Gala Inc. have personally invested in group companies.

- Mobile apps
- Mobile apps / PC online games

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