

Business Briefing for shareholders

Gala Inc.

March 29th 2025

The logo for Gala Inc. features the word "GALA" in a bold, white, sans-serif font. The letter "A" is stylized with a small white diamond shape at its base. The logo is positioned on a blue diamond-shaped background that overlaps with a red diamond-shaped background on the left. The entire scene is set against a green background.

GALA

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Gala group

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Notice



*Our company and its consolidated subsidiaries (hereinafter referred to as the "Group") resolved to partially amend the Articles of Incorporation at the 30th Annual General Meeting of Shareholders held on June 24, 2023, and changed the fiscal year-end from March 31 to December 31, starting from the previous consolidated fiscal year.

As a result, the previous consolidated fiscal year covered the nine-month period from April 1, 2023, to December 31, 2023. Therefore, the year-on-year change rate for the fiscal year ending December 2024 is not provided.

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Overview



01

Gross Sales

Increased 56.9%

2.35B
JPY
Increased

02

Gross Profit

Increased 46.9%

1.4B
JPY

03

Depreciation

the recognition of an impairment loss of 401 million yen and a provision for surcharge payment of 64 million yen, among other factors.

△735M
JPY

04

Unexpected Cost

to the correction of financial statements, such as the investigation expenses of the Special Investigation Committee, amounting to 252 million yen

252M
JPY

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As a result, the previous consolidated fiscal year covered the nine-month period from April 1, 2023, to December 31, 2023. Therefore, the year-on-year change rate for the fiscal year ending December 2024 is not provided.

Full-Year Consolidated Statement of Income



Unit: Million JPY

	FY2023 (April 1 st 2023- Dec 31 st 2023) 9 months	FY2024 (Jan 1 st 2024-Dec 31 st 2024) 12months
Sales	1,497	2,350
Cost of sales	539	942
Gross profit	958	1,408
*SGA	1,254	1,856
Operating profit	△296	△447
Ordinary profit	△262	△358
Net income	△271	△734
Net income attributed to non-controlling interests	△40	173
Net income attributed to Gala Inc.	△230	△907

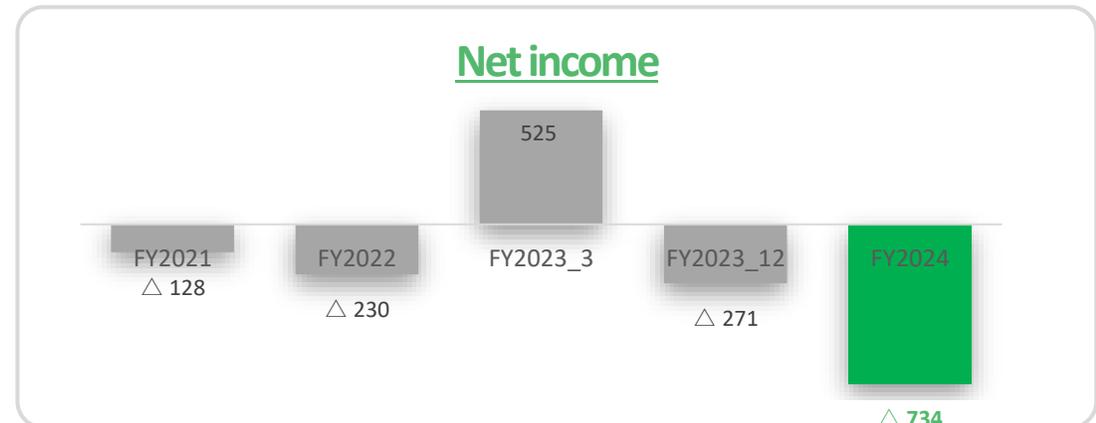
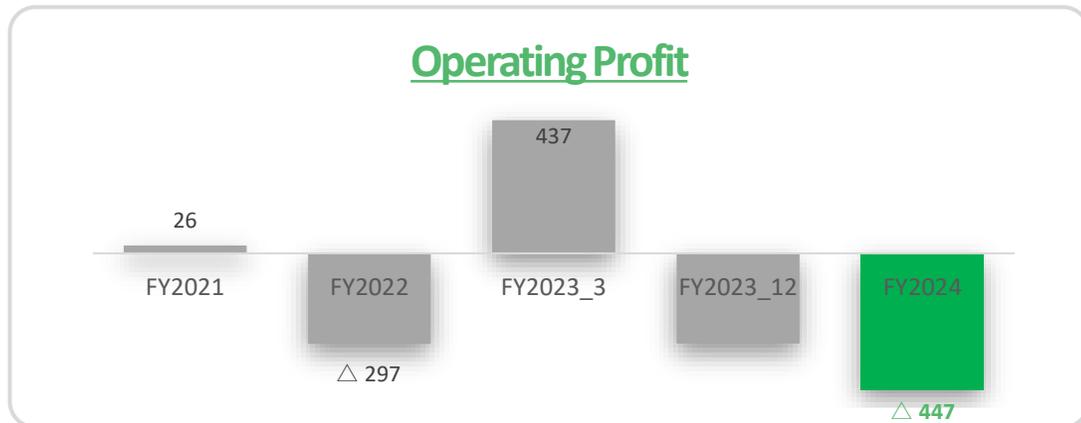
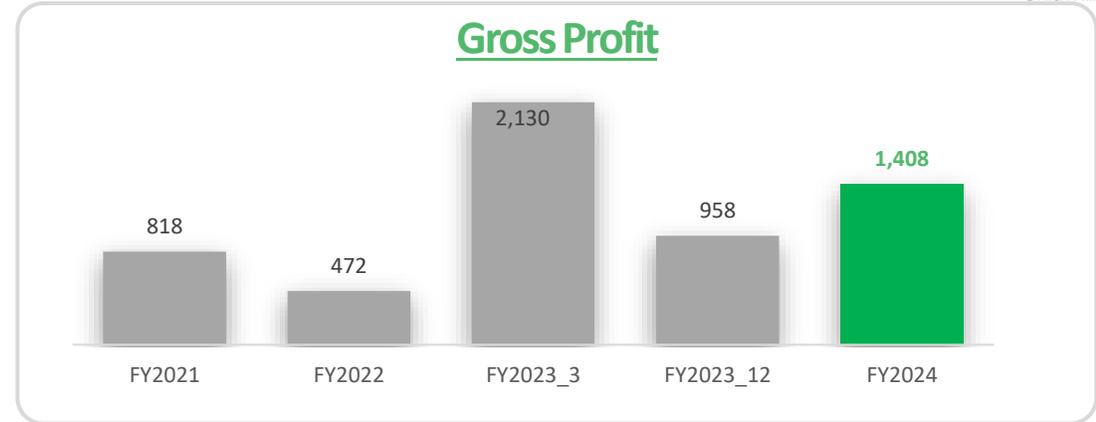
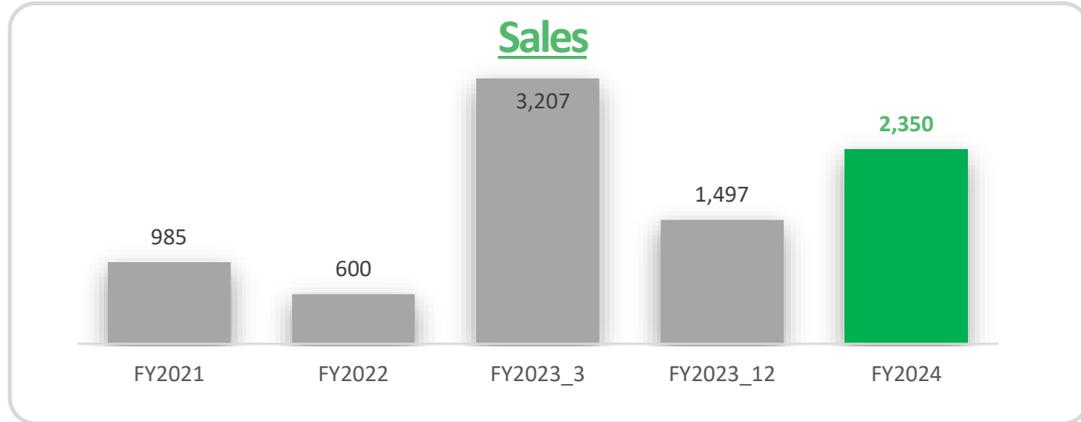
*The selling, general and administrative expenses for the fiscal year ending December 2024 include costs related to the correction of financial statements, such as the investigation expenses of the Special Investigation Committee, amounting to 252 million yen.

2. Financial Report of FY2024

Annual Comparison



Unit: Million JPY



Since FY2023_12 is a nine-month fiscal period, revenue and gross profit have decreased.

*In FY2024, operating loss increased due to 252 million yen in financial statement correction-related expenses, including investigation costs by the Special Investigation Committee.

*Additionally, a net loss of 734 million yen was recorded due to the recognition of an impairment loss of 401 million yen and a provision for surcharge payment of 64 million yen, among other factors."

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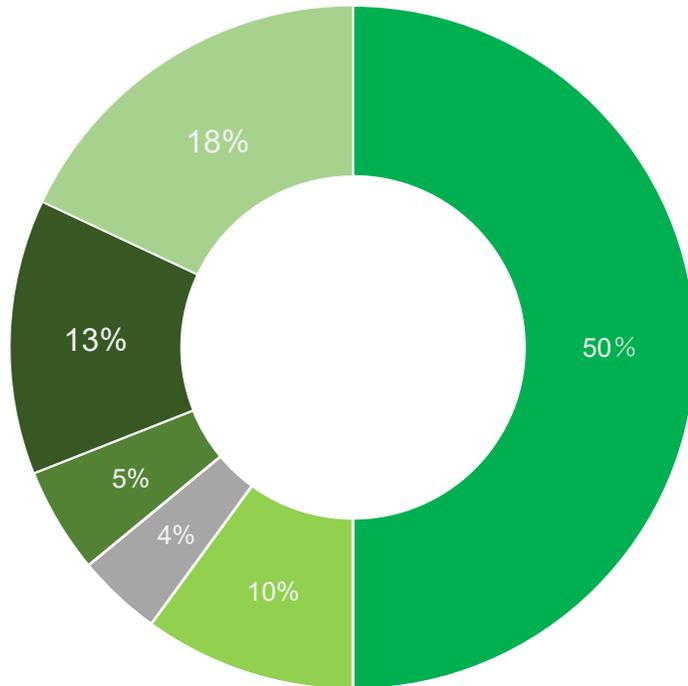
2. Financial Report of FY2024

Segment Performance



Unit: Million JPY

- HTML5
- Meta campus
- Others
- VFX
- Mobile apps
- PC games



HTML5 Business

Sales 1,170 Million JPY

Aiming to expand its service area, Gala Lab Corp. signed a publishing agreement with China's game publishing specialist company, RUIWO TECHNOLOGY, for the Chinese market in December 2024."

VFX Business

Sales 112 Million JPY

VFX stands for Visual Effects, which refers to techniques used in film, television dramas, and other visual productions to create screen effects that cannot be seen in reality. The VFX business involves the production of movies, commercials, and other content utilizing VFX technology

PC Game Business

Sales 413 Million JPY

We provide services for 'Flyff Online' and 'Rappelz Online.' In October 2024, Gala Lab Corp. signed a licensing agreement with the Chinese gaming company BEST KIRIN GLOBAL for 'Flyff Online' in the Taiwan, Hong Kong, and Macau regions.

Meta Campus Business

Sales 243 Million JPY

Providing a metaverse platform for educational institutions such as universities, offering a community space for students and hosting events like university entrance briefings

Mobile apps Business

Sales 313 Million JPY

「Flyff Legacy」 「winwalk」 「winQuiz」
「Poll Cash」

Others

Sales 97 Million JPY

Treehouse Business & Cloud Business



2. Financial Report of FY2024

Balance Sheet Summary



Unit: Million JPY

	FY2023	FY2024	Changes
Current assets	1,721	1,539	△10.5%
Fixed assets	560	2,138	281.6%
Intangible fixed assets	511	42	△91.7%
Investment & other assets	562	645	14.7%
Fixed assets	1,634	2,826	72.9%
Current liabilities	796	1,994	150.6%
Long-term liabilities	545	568	4.3%
Net assets	2,014	1,802	△10.5%
Liabilities and net assets	3,355	4,366	30.1%

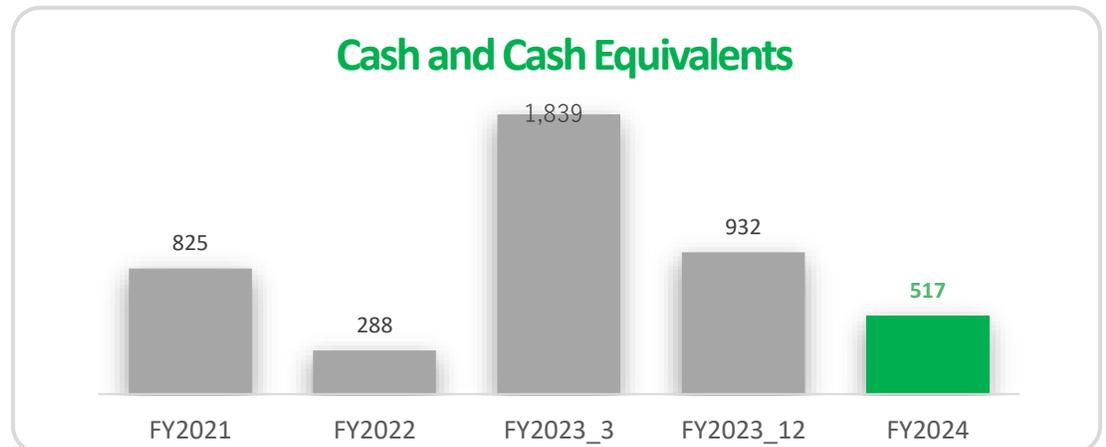
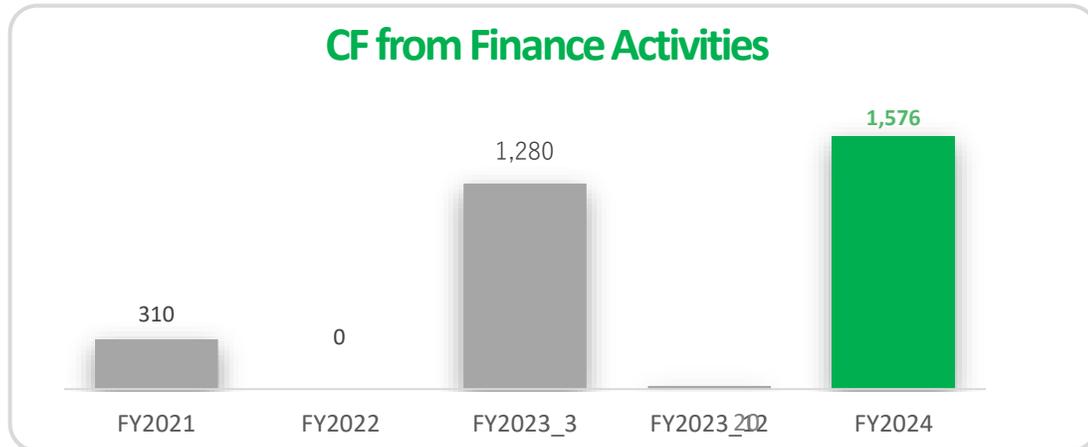
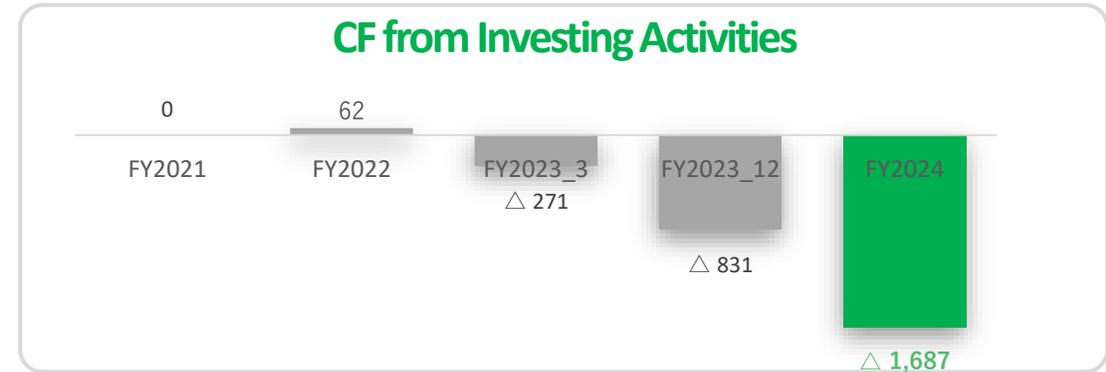
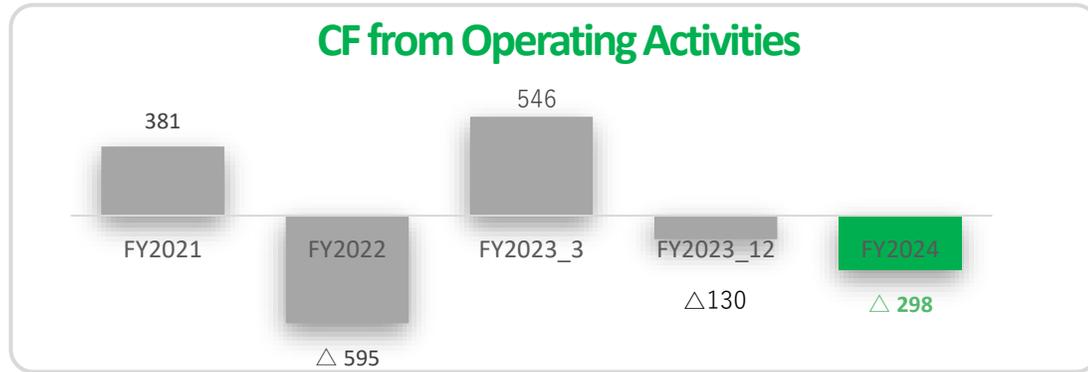


2. Financial Report of FY2024

Cashflow Trend (consolidated)



Unit: Million JPY



- **Cash flow from operating activities** resulted in a cash outflow of 298 million yen. The main factors include an inflow from an impairment loss of 401 million yen, an increase in advance receipts of 117 million yen, and depreciation expenses of 108 million yen. On the other hand, the outflows were driven by a pre-tax net loss of 845 million yen and an increase in unpaid consumption tax of 107 million yen.“
- **Cash flow from investing activities** resulted in a cash outflow of 1,687 million yen. The main components include an inflow of 416 million yen from the withdrawal of time deposits. On the other hand, the outflows were driven by expenditures of 1,708 million yen for the acquisition of tangible fixed assets, 262 million yen for the deposit into time deposits, and 175 million yen due to an increase in short-term loans.“
- **Cash flow from financing activities** resulted in a cash inflow of 1,576 million yen. The main components include an inflow of 959 million yen from an increase in short-term borrowings, 550 million yen from the issuance of shares through the exercise of stock options, and 68 million yen from long-term borrowings.



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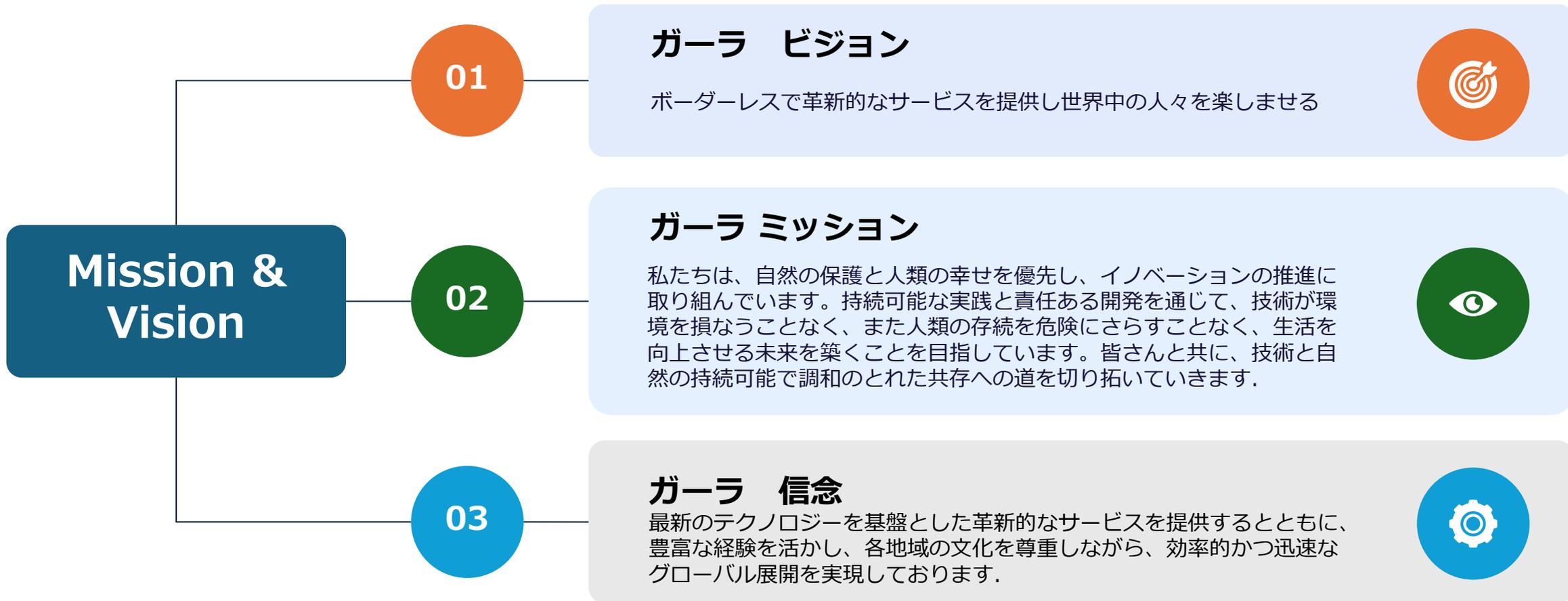
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Vision, Mission and Business



Vision, Mission and Business



FY2024

Business Reports for Each Division

Game & App Service



FY2024 Achievement

Flyff Universe

- Updated 1.3.6 Version
- Updated 1.4.0 Version
- Updated 1.4.1 Version
- FWC 2024

Rappelz Online

- Updated Epic 9.9

Flyff Online

- Update V24
- Relaunch Taiwan/Hongkong/Macau version.

Win Walk

- Launched Korean service

Upcomming

Flyff Universe

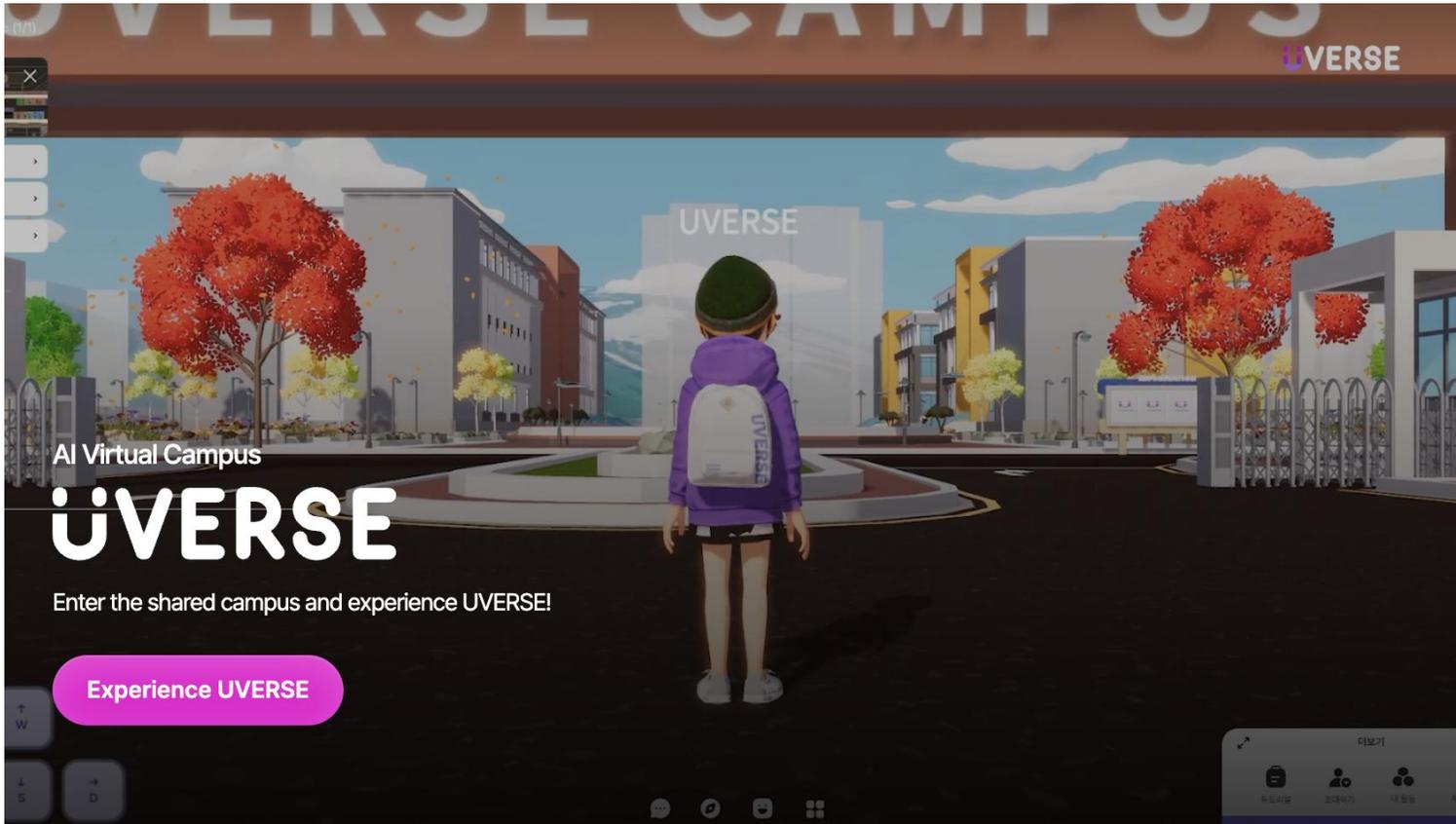
- FWC 2025
- Korean Service
- Android Service

Win Walk

- Launching App Store(iOS) service



Uverse



FY2024 Achievement

DONG-A UNIVERSITY

JEONBUK STATE ONLINE SHCOOL

Chinju National University of Education

Kumoh National Institute of Technology

HONGIK UNIVERSITY

LGKDT

DAEGU INSTITUTE FOR CREATIVITY & CONVERGENCE EDUCATION

Sahmyook University

Korea University

Chung-Ang University

Daelim University College

Shin Ansan University

EWHA WOMANS UNIVERSITY



Sustainable Resort



エアロハウス



スパイラルツリーハウス



ハルシオンツリーハウス



バンブーツリーハウス



トロフィーツリーハウス

01 Currently available Treehouse

- Spiral Treehouse
- Trophy Treehouse
- Halcyon Treehouse
- Bamboo TreehouseAero
- Aero House 1
- Aero House 2
- Aero House 3

02 Upcoming Schedule

- Dodecagonal Treehouse (tentative name) under construction
- Party Deck No.2 in design phase
- New Sauna Treehouse in planning phase

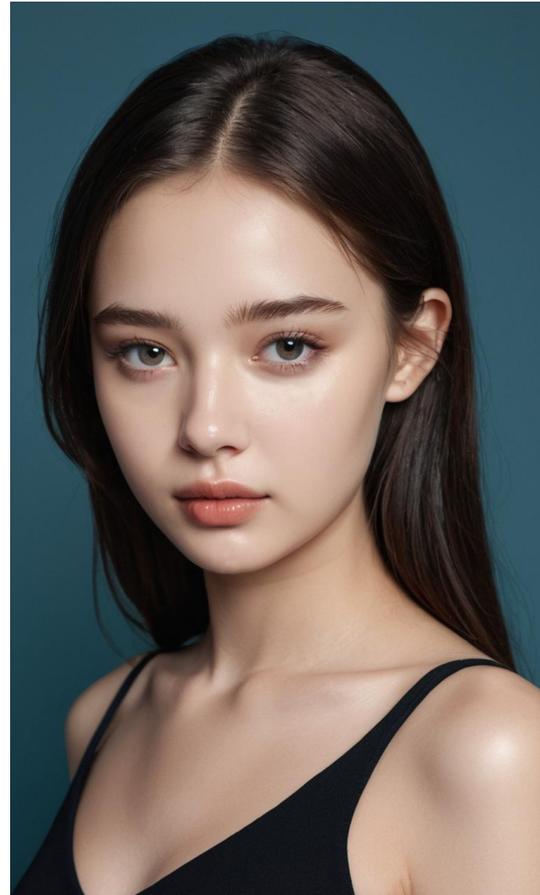
VFX



VFX



Digital Human



01 VFX

Mercy for None

Following

Uprising

The great war 2 : The battle of life and death

02 Digital Human

Developed one digital human for fashion brand (POC)

FY2024

Key Highlight

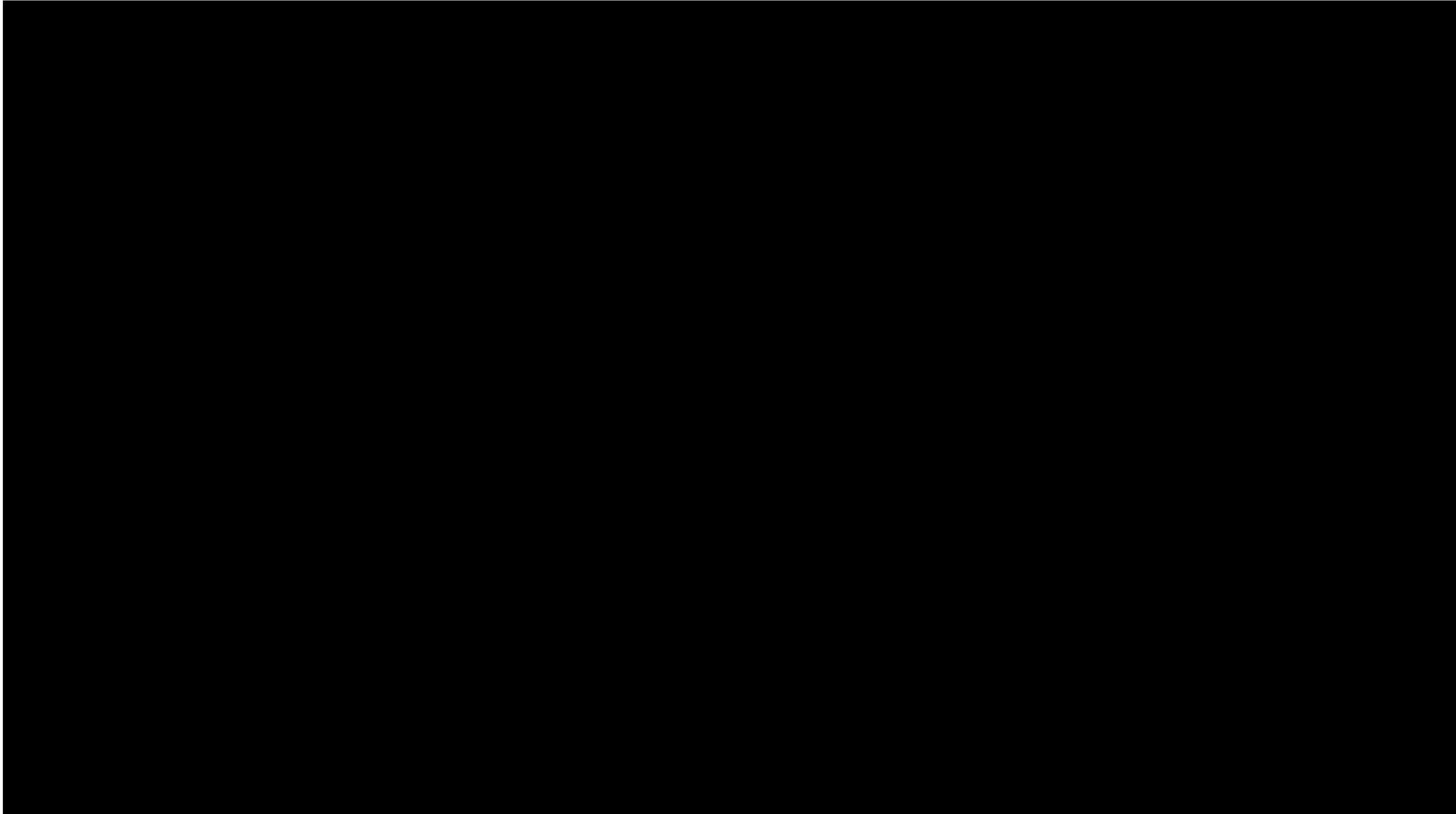
Highlight – Entering e-sports market (FWC 2024)



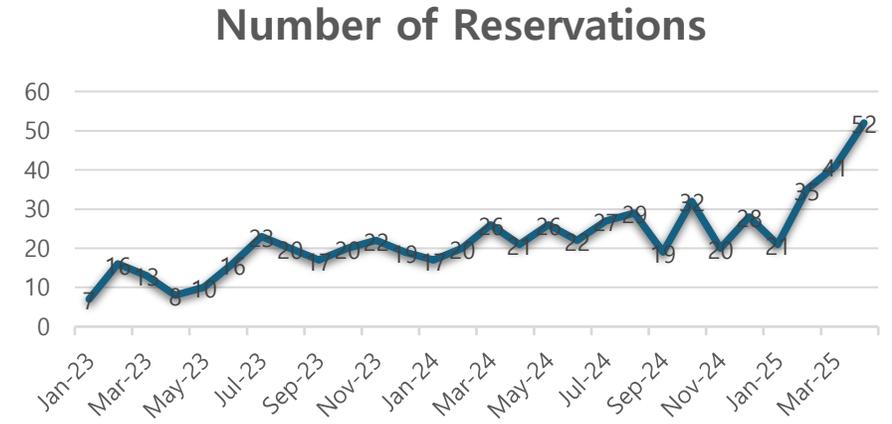
Flyff Universe has entered the e-sports field, creating professional players and attracting fans. Through this event, GALA has demonstrated another competency and potential. Moving forward, we will expand the scale of the event.



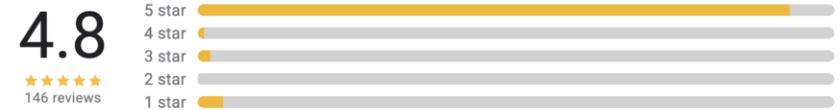
Highlight – Entering e-sports market (FWC 2024)



Highlight – New treehouse available



Google review summary



Through the new launch of **three types of Treehouses** and **two types of Aero Houses**, the reservation rate is rapidly increasing and most of guests satisfied with the resort!



Highlight – Media Coverage of Treeful

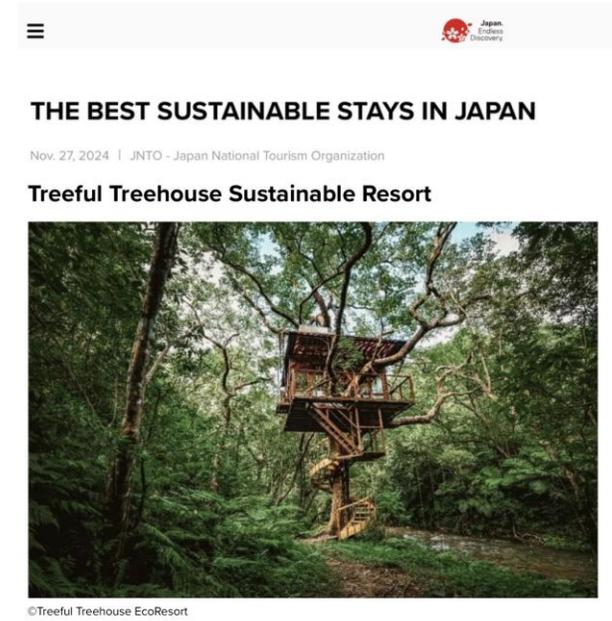
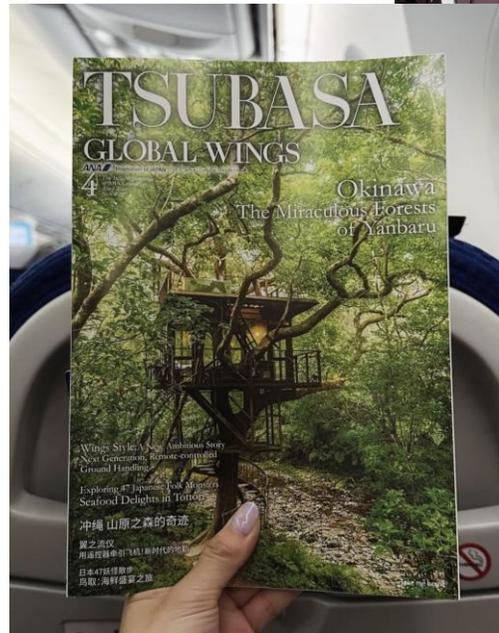


01 Media Coverage

In the 2024 fiscal year, Treeful was featured in 98 media outlets and was selected by the Japan National Tourism Organization (JNTO) as "Japan's Best Sustainable Accommodation." This recognition highlights its contribution to sustainable tourism aimed at inbound travelers, aligning with one of the goals of the 2025 Osaka Expo and the United Nations' SDGs. As a resort that allows guests to experience sustainable initiatives and coexist with nature, it has been widely covered by various media outlets.

Treeful has also been featured internationally in renowned media such as National Geographic, Vogue, Airbnb, and ELLE, among others. It has been covered in countries including the United States, the United Kingdom, Australia, Greece, South Korea, Hong Kong, India, Malaysia, Austria, Canada, Sri Lanka, Cambodia, the Philippines, Portugal, Bulgaria, and more.

Approximately 42% of Treeful's guests come from overseas, and PR activities are being conducted to capture the growing demand for inbound tourism.



Upcoming Project

What's new?

Game & App Service



Flyff Universe
Chinese Service

It will be started
as soon as local
publisher get
"Ban Hao"



飞飞:重逢
: Chinese Flyff
Sequence game
for mobile

It will be started
as soon as local
publisher get
"Ban Hao"



Rappelz M
: Crypto platform
version will
launch in 3Q



Anipang 3
: Complete
develop 3match
framework will
complete in 2Q.

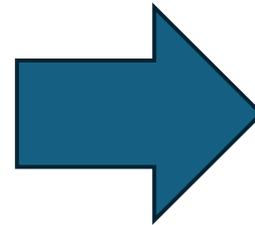
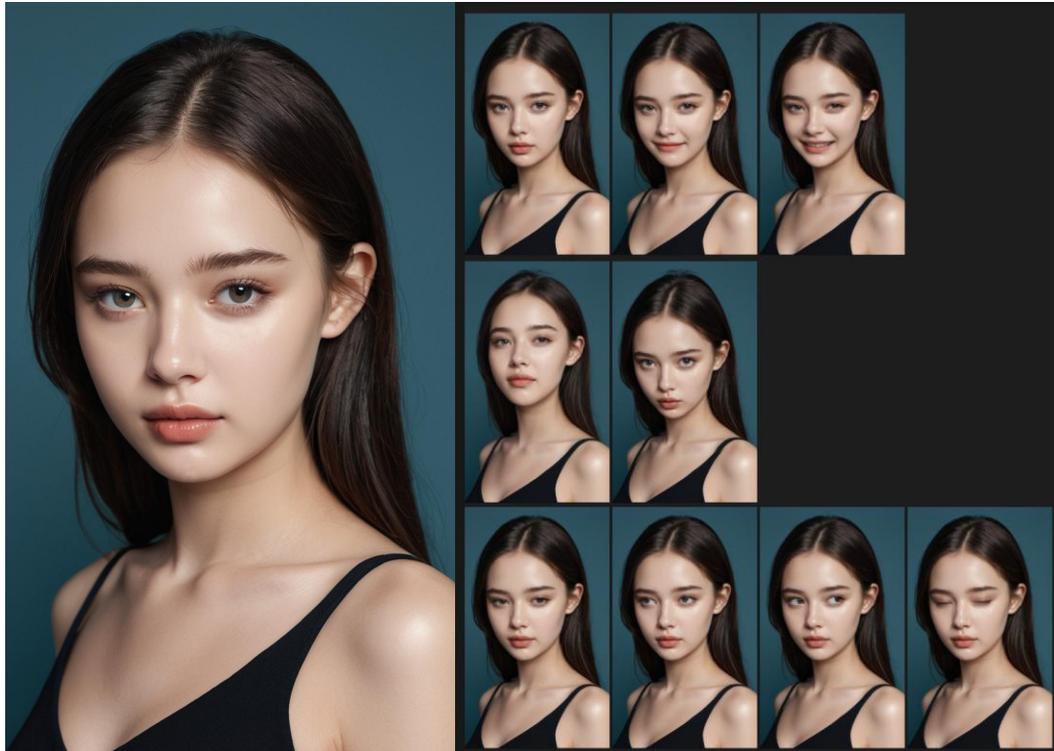
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What's new?

R&D – StyliX (AI generate photoshoot with digital Human platform)



StyliX is the AI platform which generates a commercial photoshoot with a digital human.



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R&D – Short form drama platform



Gala made pipeline to create short form drama with the tech-knowledge of virtual product which bring huge cost saving and Gala will launch the platform of short form drama globally, it also bring saving cost and



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ご清聴ありがとうございました。

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