

June 13, 2016

ZAPPALLAS

Company ZAPPALLAS,INC
Representative Mari Kawashima, Chairperson and CEO
(TSE 1st section 3770)
Contact Director Masato Kobayashi
TEL 03-6434-1036

Notice Concerning Difference Between Results Forecasts and Actual Results, and the Occurrence of an Exchange Loss.

The following notice concerns the difference between the consolidated results forecast for the full year ended April 30, 2016 that was announced on March 9, 2016 and the actual results announced on this date, and also the occurrence of an exchange loss.

1. Difference from consolidated results forecast for the full year ended April 30, 2016 (May 1, 2015 – April 30, 2016)

	Sales	Operating income	Ordinary income	Net income	Net income per share
Previously announced forecast (A)	Millions yen 5,514	Millions yen 132	Millions yen 83	Millions yen (589)	Yen (46.26)
Revised forecast (B)	5,558	239	160	(539)	(42.37)
Change (B – A)	44	107	77	50	3.89
Percentage change (%)	0.8	81.1	92.8	-	-
Reference: Consolidated result from previous year (year ended April 30, 2015)	7,581	516	728	242	19.02

2. Reasons for the difference

Although sales were approximately on the level that was forecast, there was some increase in sales of existing divination content. Operating income was higher due to advertising and other costs that were lower than forecast, in addition to the effects of higher sales of existing divination content.

3. Occurrence of an exchange loss

As a result of converting foreign-currency denominated assets possessed by the Zappallas Group at the exchange rate that was effective at the end of the fiscal year, we incurred an exchange loss of 83 million yen during the fiscal year ended April 30, 2016. This loss was recorded as a non-operating loss.