

April 15, 2010

**ZAPPALLAS**

For immediate release:

Name of company:	ZAPPALLAS, INC.
Stock code:	3770
Stock exchange listing:	Tokyo Stock Exchange, First Section
Headquarters:	1-19-19, Ebisu, Shibuya-ku, Tokyo
Representative	
Title:	President, Chief executive officer
Name:	Masanori Sugiyama
Contact person	
Title:	Executive officer, Division manager of administrative headquarter
Name:	Masato Kobayashi
Tel:	+81-(3)-5475-7133 (Main)
URL:	<a href="http://www.zappallas.com/">http://www.zappallas.com/</a>

**Notice of acquisition of treasury stock in the stock market  
and completion of acquisition**

(Acquisition of treasury stock in accordance with the Articles of Association pursuant  
to the provision of Article 165 Paragraph 2 of the Company Law)

This is to notify that ZAPPALLAS, INC. acquired treasury stock as below, pursuant to the provision of Article 156 of the Company Law of which different manner of application is provided for in Article 165 Paragraph 3 of the said Law.

This operation completes the repurchase of treasury stock resolved at the Board of Directors held on March 8, 2010.

- |                                    |  |
|------------------------------------|--|
| 1. Period of acquisition           | From April 1, 2010 to April 14, 2010<br>(Trade completion basis) |
| 2. Total number of stocks acquired | 2,222 shares   |
| 3. Total acquisition cost of stock | 353,572,700yen   |
| 4. Method of acquisition           | Market purchase at the Tokyo Stock Exchange                      |

(Reference)

- Decision taken at the meeting of the Board of Directors on March 8, 2010.
  - Types of stock to be acquired                      Common stock of the Company
  - Total number of stock to be acquired            10,000 shares (upper limit)  
(Ratio to the total number of shares issued  
(excluding treasury stock): 7.5%)
  - Total acquisition cost of stock                    1,500 million yen (upper limit)
  - Period of acquisition                                From March 9, 2010 to April 27, 2010
  - Method of acquisition                                Market purchase at the Tokyo Stock Exchange
- Total number of treasury stock acquired based on the above decision.
  - Total number of stocks acquired                9,685 shares
  - Total acquisition cost of stock                    1,495,870,200 yen