

March 8, 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
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URL:	http://www.zappallas.com/

Notice on determination of matters relating to acquisition of treasury stock

(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 at the meeting held on March 8, 2010, the Board of Directors decided to purchase treasury stock 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.

1. Reason for acquisition of treasury stock

To enable the implementation of a flexible capital management policy in response to changes in the business environment.

2. Description of stock to be acquired

(1) Types of stock to be acquired	Common stock of the Company
(2) 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%)
(3) Total acquisition cost of stock	1,500 million yen (upper limit)
(4) Period of acquisition	From March 9, 2010 to April 27, 2010
(5) Method of acquisition	Market purchase at the Tokyo Stock Exchange

(Reference)

Situation of treasury stock in possession as of February 28, 2010

Total number of shares issued (excluding treasury stock)	133,400 shares
Number of treasury stock	0 shares