

June 20, 2013

ZAPPALLAS

Company name Z A P P A L L A S , I N C .
C o n t a c t Director Masato Kobayashi
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Notice Concerning Stock Split, Adoption of the Unit Share System, Partial Amendment of the Articles of Incorporation, and Correction to the Dividend Forecast

At the meeting of the Board of Directors held on June 20, 2013, ZAPPALLAS decided to carry out a stock split, adoption of the unit share system, and partial amendment of the articles of incorporation. It was therefore decided to submit a proposal for partial amendment of the articles of incorporation at the 14th regular meeting of shareholders scheduled for July 26, 2013.

1. Purpose of the stock split, adoption of the unit share system, and partial amendment of the articles of incorporation

In accordance with the purpose of the Action Plan for the Consolidation of Trading Units that was announced by securities exchanges across Japan, shares of our company's stock will be split at the ratio of 100 to 1, and a unit share system which defines 100 shares as one share unit will be adopted. As a result, the articles of incorporation will be partially amended. (Details of the amendment to the articles of incorporation are omitted here. Please refer to the Japanese release.)

There will be no material change in the investment units resulting from this stock split and the adoption of the unit share system.

2. Stock split and adoption of the unit share system

(1) Split method

The record date shall be October 31, 2013, and the shares of ordinary stock held by the shareholders listed or recorded in the shareholder registry at the end of that day will be split at the ratio of 100 to 1.

(2) Increase in number of shares resulting from the split

Total issued shares before stock split	135,310 shares
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Increase in shares resulting from the split (predicted)	13,395,690 shares
Total issued shares after stock split (predicted)	13,531,000 shares
Total authorized shares after stock split	50,000,000 shares

(3) Changes in amount of capital

There is no change in the amount of capital resulting from this stock split.

(4) Number of shares per unit

A unit share system will be adopted which defines 100 shares as one unit.

(5) Schedule

Regular general meeting of shareholders for the amendment to the articles of incorporation	July 26, 2013 (Friday)
Date of stock split record date publication	October 15, 2013 (Tuesday)
Stock split record date	October 31, 2013 (Thursday)
Effective date (stock split, unit share system, and amendment to articles of incorporation)	November 1, 2013 (Friday)

Note: The transaction unit for our company's stock on the Tokyo Stock Exchange will be changed from 1 share to 100 shares on October 29, 2013 (Tuesday).

3. Correction to dividend forecast

Although there is at present no change to the total amount of the dividend forecast that was announced on June 13, 2013, as a result of this stock split (split of our company's normal stock at the ratio of 100 to 1), the forecast per-share year-end dividend will be changed from 2,200 yen to 22 yen (1/100 of the initial forecast).