

Company ZAPPALLAS, INC.  
 Representative Mari Kawashima, Chairperson and  
 CEO  
 (TSE 1st section 3770)  
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**Notice Concerning Recording of a Foreign Exchange Profit, Recording of Deferred Tax Assets in  
 Relation to a Loss on Valuation of Stocks of Subsidiaries and Affiliates, and Differences Between the  
 Results Forecast and Actual Results**

The following differences occurred between the results forecast for the full year ended April 30, 2015 (May 1, 2014 - April 30, 2015) that was announced on March 13, 2015 and the actual results which were announced on today's date.

1. Differences between the full-year results forecast and actual results (May 1, 2014 - April 30, 2015)

	Sales	Operating income	Ordinary income	Net income	Net income per share
Previously announced results forecast (A)	Millions yen 7,730	Millions yen 500	Millions yen 700	Millions yen 60	Yen 4.71
Actual Results (B)	7,581	516	728	242	19.02
Change (B - A)	△149	16	28	182	-
Percentage change (%)	△1.9%	3.2%	4.0%	303.3%	-
(Reference) Results from previous year (year ended April 30, 2015)	8,155	722	752	375	29.72

2. Reason for the differences

As a result of a revaluation of foreign currency-denominated assets owned by the ZAPPALLAS Group, we recorded 216 million yen in foreign exchange profit as non-operating income in the year ended April 30, 2015. In addition, as announced in "Notice Related to the Transfer (Share Transfer) of a Consolidated Subsidiary" on May 1, 2015, as a result of an agreement for the transfer of shares in our consolidated subsidiary B×E Inc., we recorded deferred tax assets in relation to a loss on valuation of subsidiaries and affiliates of 638 million yen that was recorded in the individual financial statements for the third quarter. As a result, the amount of deferred income taxes was reduced by 133 million yen, increasing the quarterly net income and yielding results that exceeded the results forecast.