

Sept. 12, 2017

ZAPPALLAS

Company ZAPPALLAS, INC.
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(TSE 1st section 3770)
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Notification Related to Announcement of Results Forecast

The following is notification of the consolidated results forecast for the year ending April 30, 2018 (May 1, 2017 -April 30, 2018), which was undecided in the “Financial Results of Operations for the Year Ended April 30, 2017 [Japan Standards] (Consolidated)” that was released by our company on June 12, 2017.

1. Consolidated results forecast for the year ending April 30, 2018 (May 1, 2017 – April 30, 2018)

	Sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previously announced forecast (A)	Millions yen	Millions yen	Millions yen	Millions yen	Yen
	-	-	-	-	-
Revised forecast (B)	4,800	(650)	-	-	-
Change (B – A)	-	-	-	-	-
Percentage change (%)	-	-	-	-	-
Reference: Consolidated result from previous year (year ended April 30, 2017)	4,846	294	298	134	10.59

2. Reasons for announcement

The consolidated results forecast for the year ending April 30, 2017 was previously undecided, however we have conducted a new close examination based on our decisions to invest in the Uranai TV internet TV station (new business area) and to continue holding the Uranai Festival real-world divination event as indicated in the release dated August 21, 2017.

In terms of sales, we are forecasting sales of 4.8 billion yen, approximately on the same level as the previous year. The primary reason is that sales in our which primary business area of digital divination content stopped declining during the previous year, and continued strong performance is expected.

In terms of operating income, despite the above strong sales of digital content, as a result of investments

including expenses related to production for Uranai TV, app development expenses, and expenses for holding the Uranai Festival, we are expecting an operating loss of 650 million yen.

As we aim to return to a path of mid- and long-term growth, we are positioning this year as a period of focused investment, and our policy calls for an active approach to new business centered on Uranai TV.

Results for ordinary income and net income remain undecided due to factors including large changes resulting from movement of the exchange rates for assets denominated in foreign currencies.

The dividend forecast also remains undecided.

* The above results forecast was created based on information that is available to our company at the present time. The actual results may differ from the forecast numbers due to a range of factors in the future.