

**Zero Announces Revision to Earnings and Dividend Forecasts for  
Fiscal Year Ending June 30, 2006**

January 26, 2006

Company Name: Zero Co., Ltd.

Code No: 9028

Tokyo Stock Exchange (Second Section)

(URL <http://www.zero-nichiriku.co.jp/>)

Representative: CEO & President

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Zero has revised its interim and full-year earnings forecasts and dividend forecast of FY2005 that were announced on August 9, 2005.

1. Interim Earnings Forecast (July 1, 2005 - December 31, 2005)

(1) Consolidated

(Millions of yen.)

	Net sales	Ordinary income	Net income
Previous Forecast (A)	25,500	660	340
Revised Forecast (B)	25,170	470	230
Difference (B-A)	- 330	- 190	- 110
Difference ( % )	- 1.3	- 28.8	- 32.4
Interim results for FY2004	24,561	601	241

(2) Unconsolidated

(Millions of yen.)

	Net sales	Ordinary income	Net income
Previous Forecast (A)	24,400	430	210
Revised Forecast (B)	23,930	210	80
Difference (B-A)	- 470	- 220	- 130
Difference ( % )	- 1.9	- 51.2	- 61.9
Interim results for FY2004	24,505	455	169

2. Full-Year Earnings Forecast (July 1, 2005 - June 30, 2006)

(1) Consolidated

(Millions of yen.)

	Net sales	Ordinary income	Net income
Previous Forecast (A)	51,673	1,560	782
Revised Forecast (B)	51,340	1,370	670
Difference (B-A)	- 333	- 190	- 112
Difference ( % )	- 0.6	- 12.2	- 14.3
Full-Year results for FY2004	51,862	1,615	740

(2) Unconsolidated

(Millions of yen.)

	Net sales	Ordinary income	Net income
Previous Forecast (A)	49,460	1,009	435
Revised Forecast (B)	48,990	790	300
Difference (B-A)	- 470	- 219	- 135
Difference ( % )	- 1.0	- 21.7	- 31.0
Full-Year results for FY2004	51,033	1,110	447

3. Dividend per share Forecast

(Yen)

	Interim dividend per share as of December 31, 2005	Dividend per share as of June 30, 2006	Dividend per share for FY2005
Previous Forecast (A)	10.00	17.00	27.00
Revised Forecast (B)	10.00	13.00	23.00
Difference (B-A)	-	- 4.00	- 4.00
Difference ( % )	-	- 23.5	- 14.8
FY2004	-	-	-

4. Reasons for the revision to Earnings Forecasts

(1) Unconsolidated

Net sales in the first half of FY2005, is forecasted to decrease by 470 million yen from the previous forecast. The primary cause is reduction of new vehicle sales of our leading customer, which has a negative impact on our new vehicle transportation sales.

Fuel cost increase is another factor to decrease our ordinary and net income forecast. Interim ordinary income is estimated at 210 million yen, a decrease of 220 million yen and interim net income is estimated at 80 million yen, a decrease of 130 million yen from the previous forecast.

The earnings forecast for the 2nd half of this fiscal year remains unchanged. The original earnings plan is to be achieved through aggressive sales promotion activities for used car transportation and continuous cost reduction efforts, although automobile sales of our primary customer and fuel price are unpredictable.

The full-year earnings forecast is revised based on the revision to the interim earnings forecast.

(2) Consolidated

Consolidated earnings forecast is revised based on the revision to unconsolidated earnings forecast.

5. Reasons for the revision to Dividend per share Forecast

Dividend per share is revised based on the above revision to the earnings forecasts.

(Note) The above forecast was made based upon information available. Actual performance may vary depending on various factors.