

Consolidated Financial Results for the Interim Period Ended December 31, 2005

February 15, 2006

Listed Company: Zero Co., Ltd.

Tokyo Stock Exchange (Second Section)

Code No: 9028

Location of the head office: Kanagawa

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

Representative: Yoshi Iwashita, President

Contact for Inquiries: Takashi Kageyama, Director, General Manager, Corporate Planning Department

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Date of Board of Directors Meeting for the Settlement of Accounts: February 15, 2006

Parent company: Tan Chong International Ltd.

The percentage of stock held by the parent company: 21.0%

Application of U.S. Accounting Standards: Not applied

1. Consolidated Financial Results for the Interim Period Ended December 31, 2005

(From July 1, 2005 to December 31, 2005)

(1) Results of consolidated operations

(Figures less than one million yen are rounded.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2005 1st half	24,963	1.6	406	- 23.7	461	- 23.3
FY2004 1st half	24,561	3.8	533	71.9	601	60.3
(Ref.) FY2004	51,862		1,480		1,615	

	Net income		Net income per share -basic	Net income per share -diluted
	Millions of yen	%	yen	yen
FY2005 1st half	221	- 8.1	39.10	37.63
FY2004 1st half	241	- 47.4	45.18	—
(Ref.) FY2004	740		138.73	—

(Note) (i) Equity in earnings of equity-method affiliates:

FY2005 1st half: None

FY2004 1st half: None

FY2004: None

(ii) Average number of outstanding shares during the period (consolidated):

FY2005 1st half: 5,664,170 shares

FY2004 1st half: 5,338,314 shares

FY2004: 5,338,314 shares

(iii) Changes in accounting policy: No

(iv) Percentages for net sales, operating income, ordinary income, and net income are rates of increase or decrease compared with the same period of previous year.

(2) Consolidated financial position

(Figures less than one million yen are rounded.)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY2005 1st half	27,341	11,031	40.3	1,905.91
FY2004 1st half	27,323	10,651	39.0	1,995.28
(Ref.) FY2004	27,515	11,159	40.5	2,090.44

(Note) Number of outstanding shares at period-end (consolidated):

FY2005 1st half: 5,787,822 shares

FY2004 1st half: 5,338,314 shares

FY2004: 5,338,314 shares

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2005 1st half	- 61	- 522	435	4,398
FY2004 1st half	- 861	- 1,599	1,574	4,306
(Ref.) FY2004	292	1,856	917	4,547

(4) Scope of consolidation and equity method

Number of consolidated subsidiaries	4 companies
Number of unconsolidated subsidiaries accounted for by the equity method	0 companies
Number of affiliates accounted for by the equity method	0 companies

(5) Changes in scope of consolidation and equity method

Number of newly consolidated subsidiaries	0 companies
Number of consolidated subsidiaries excluded from consolidation	0 companies
Number of affiliates newly accounted for by the equity method	0 companies
Number of affiliates ceased to be accounted by the equity method	0 companies

2. Consolidated forecast for FY05 (July 1, 2005 through June 30, 2006)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
FY05	51,130	1,360	660

(Ref.) Forecast of net income per share (full year) 114.03 yen

*The above forecast is based on information available as of the date of release, and actual results may vary depending on various factors.