

Unconsolidated Financial Results for the Interim Period Ended December 31, 2006

February 14, 2007

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: Takeo Kitamura, Director, General Manager, Corporate Planning Department

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Date of Board of Directors Meeting for the Settlement of Accounts: February 14, 2007

Date to begin payment of interim dividend: March 15, 2007

Adoption of the unit share (tangenkabu) system: Yes (1 tangenkabu = 100 shares)

1. Financial Results for the Interim Period Ended December 31, 2006

(From July 1, 2006 to December 31, 2006)

(1) Results of operations

(Figures less than one million yen are rounded.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2006 1st half	23,113	-3.0	-393	—	-191	—
FY2005 1st half	23,835	-2.7	136	-63.1	187	-59.0
(Ref.) FY2005	48,993		373		522	

	Net income		Net income per share
	Millions of yen	%	yen
FY2006 1st half	-85	—	-4.88
FY2005 1st half	65	-61.6	11.52
(Ref.) FY2005	138		8.02

(Note) (i) Average number of outstanding shares during the period

FY2006 1st half: 17,514,807 shares FY2005 1st half: 5,664,170 shares FY2005: 17,240,247 shares

(ii) Effective the base date of May 31, 2006, share split has been implemented at a rate of three to one.

(iii) Changes in accounting policy: Yes

(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) Unconsolidated 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
FY2006 1st half	24,719	9,790	39.6	563.97
FY2005 1st half	25,616	10,020	39.1	1,731.32
(Ref.) FY2005	25,363	10,020	39.5	572.01

(Note)

(i) Number of outstanding shares at period-end

FY2006 1st half: 17,359,511 shares FY2005 1st half: 5,787,822 shares FY2005: 17,517,711 shares

(ii) Number of treasury shares at period-end

FY2006 1st half: 176,731 shares FY2005 1st half: 92 shares FY2005: 531 shares

(iii) Effective the base date of May 31, 2006, share split has been implemented at a rate of three to one.

2. Unconsolidated forecast for FY06 (July 1, 2006 through June 30, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
FY06	50,200	240	820

(Ref.) Forecast of net income per share (full year) 47.24 yen

3. Dividends

Cash dividend	Dividends per share (yen)		
	Interim	End of period	Full year
FY2005	10.00	4.00	14.00
FY2006 (actual)	4.00	—	8.00
FY2006 (estimates)	—	4.00	

(Note)

- (i) Effective the base date of May 31, 2006, share split has been implemented at a rate of three to one. Year-end dividends of FY2006 and FY2005 are the figures after share split on May 31, 2006.
- (ii) Net income after tax, approximately 710 million yen is estimated based on our income including special profit by transferring our fixed assets (building of current head quarters). Since this income is not based on our operating profit, it is excluded from the profit which is used for dividend calculation.

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