

# ZERO Announces Revision to Earnings Forecasts for the Fiscal Year Ending June 30, 2010

May 13, 2010

Company name: ZERO CO., LTD.

Code No: 9028

Tokyo Stock Exchange (Second Section)

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

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Based on its recent performance trend, ZERO CO., LTD. (the "Company") hereby announces that it has revised its earnings forecasts for the fiscal year ending June 30, 2010 as below, which was announced on August 7, 2009.

## 1. Revision to Earnings Forecasts for the Fiscal Year Ending June 30, 2010

	Sales	Operating income	Ordinary income	Net income	Net earnings per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A)	53,800	1,000	950	350	20.48
Revised forecast (B)	51,000	650	650	150	8.78
Increase/decrease (B - A)	-2,800	-350	-300	-200	-
Increase/decrease rate (%)	-5.2	-35.0	-31.6	-57.1	-
(Ref.) FY2008 actual	51,599	-532	-457	-715	-41.58

## 2. Reasons for the Revision

Although the introduction of the tax reduction on new environmentally friendly cars and subsidies on purchase of new environmentally friendly cars has advanced the demand for domestic new cars, with its rebound, the used car sales stagnated. Moreover, since most of those used cars with old model years which are traded-in are to be scrapped and no longer distributed into the market, the entry volume of used auto auction declined, the entire used car market has experienced a downturn. Our group has made our efforts to increase the number of transportation for used cars and the entry units of used auto auction by strengthening our sales structure. However, since the downturn of the market was worse than expected and this downturn trend is predicted that it will not recover drastically in the short-term, our sales plans for vehicle transportation related business and car selection business were reviewed and sales as a whole are forecasted to be the same level as the result of previous year.

In terms of profitability, rationalizing and streamlining of the operations such as reducing fixed costs have been making more progress than scheduled and it is forecasted to mark drastic increase in profit compared with the previous year. However, we have judged that it would not be enough to cover the decline of forecasted sales entirely, thus, it is to revise the earnings forecasts for fiscal 2009 regrettably.

(Note) The above figures are prepared based on the information available as of the date of announcement of this material. The actual results may differ due to various factors.

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