

Consolidated Financial Results for the Fiscal Year Ended June 30, 2006

August 21, 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: Takeo Kitamura, Corporate Officer, Tel: 045-502-1438
 General Manager, Corporate Planning Department
 Date of Board of Directors Meeting for the settlement of accounts: August 21, 2006
 Name of the parent company: Tan Chong International Ltd.
 The percentage of shares held by the parent company: 20.8%
 Application of U.S. Accounting Standards: Not applied

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2006 (From July 1, 2005 to June 30, 2006)

(1) Results of operations (Figures less than one million yen are rounded.)

	Sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
FY2005	51,205	-1.3	883	-40.3	1,034	-36.0
FY2004	51,862	6.2	1,480	70.4	1,615	68.9

	Net income		Net income per share –basic	Net income per share – diluted	shareholder's equity net assets ratio	Total assets ordinary income ratio	Sales ordinary income ratio
	Million yen	%	yen	yen	%	%	%
FY2005	426	-42.4	24.76	23.97	3.8	3.7	2.0
FY2004	740	-24.4	138.73	—	6.9	6.1	3.1

- (Note) ① Equity in earnings or loss of investees
 FY2005 : None FY2004 : None
 ② Average number of outstanding shares during the period (consolidated):
 FY2005 : 17,240,247 shares FY2004 : 5,338,314 shares
 ③ Effective the base date of May 31, 2006, share split has been implemented at a rate of three to one.
 ④ Changes in accounting policy: No
 ⑤ Percentages for sales, operating income, ordinary income, and net income are the 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	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2005	28,807	11,212	38.8	640.04
FY2004	27,515	11,159	40.5	2,090.44

- (Note) ① Number of issued and outstanding shares at the end of period (consolidated):
 FY2005 : 17,517,711 shares FY2004 : 5,338,314 shares

(3) Consolidated cash flows

(Figures less than one million yen are rounded.)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents end of period
	Million yen	Million yen	Million yen	Million yen
FY2005	856	- 701	39	4,741
FY2004	292	- 1,856	917	4,547

(4) Scope of consolidation and equity method

Number of consolidated subsidiaries 6 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 2 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 FY06 (July 1, 2006 through June 30, 2007)

	Sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
For the first half of FY06	25,900	350	170
Full year of FY06	57,100	1,100	600

(Ref.) Forecast of net income per share (full year) 34.25 yen

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

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