

Zero Announces Transfer (Acquisition) of Subsidiary

December 12, 2016

Company name: ZERO CO., LTD.

Code No: 9028

Tokyo Stock Exchange (Second Section)

Representative: President & CEO

Takeo Kitamura

Contact for Inquiries: Corporate Officer, General Manager
of Group Strategy Division

Toshihiro Takahashi

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The acquisition of the shares of KOEI Transport Co., Ltd. has decided at the Board of Directors' Meeting held today, December 12, 2016.

1. Reason of acquisition

We promote the restructuring of nationwide logistics network as regional strategy for vehicle transportation. To this objective, we established ZERO PLUS KYUSHU CO., LTD. in October, 2015 and ZERO PLUS KANTO CO., LTD. in July, 2016 as region-based subsidiaries and further subsidiaries to cover the whole country will be established by the end of FY2017.

KOEI Transport Co., Ltd., mainly transports motorbikes, was acquired to undertake the reform of motorbike transportation business as product strategy, in addition to regional strategy.

We continuously work to restructure our business to improve the convenience and provide better service to customers.

2. Outline of acquired company (KOEI Transport Co., Ltd.)

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| (1) Corporate name | KOEI Transport Co., Ltd. |
| (2) Representative | President, Kiyotaka Masaki |
| (3) Location of head office | 3-535-1 Nunoichicho
Higashi-osaka city, Osaka |
| (4) Date established | March 11, 1978 |
| (5) Business activities | Motorbike transport, General cargo transport |
| (6) Business scale | Sales 363 million yen (FY2015, ended in March, 2016) |
| (7) Capital | 10 million yen |
| (8) Fiscal year end | March 31 |
| (9) Employees | 23 |
| (10) Major shareholders and percentage owned | Kiyotaka Masaki 100% (20,000 shares) |

3. Outline of acquisition

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|-----------------------------------|---------------------------------------|
| (1) Shares acquired | from Kiyotaka Masaki (20,000 shares) |
| (2) Shares before acquisition | none (percentage owned 0%) |
| (3) Acquiring shares | 20,000 shares |
| (4) Shares after the acquisition | 20,000 shares (percentage owned 100%) |
| (5) Scheduled date of acquisition | December 12, 2016 |

4. Future outlook

Impact upon the consolidated financial results for the fiscal year ending June, 2017 is minor.

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