

## Brief Announcement on the Financial Results for the Second Quarter of the Fiscal Year 2008 (Consolidated)

Company : Quest Co., Ltd.  
Code : 2332  
(URL <http://www.quest.co.jp/>)

(In millions of yen)

### 1. Consolidated Performance for the second quarter of FY 2008 (April 1, 2008 – September 30, 2008)

#### (1) Consolidated operating results

	Net sales	Operating profit	Ordinary profit	Net profit for the second quarter of the fiscal year
Results for the second quarter of FY 2008	3,697( -- )	127( -- )	138( -- )	96( -- )
Results for the second quarter of FY 2007	3,482(+6.0%)	176(+25.4%)	185(+27.3%)	98(+20.1%)

	Net profit per share for the second quarter of the fiscal year	Net profit per share after adjustment of latent shares for the second quarter of the fiscal year
Results for the second quarter of FY 2008	17.77 yen	----
Results for the second quarter of FY 2007	23.48 yen	23.45 yen

#### (2) Consolidated financial position

	Total assets	Shareholder's equity	Ratio of shareholder's equity	Shareholder's equity per share
At end of September 2008	4,847	3,820	78.8%	703.77 yen
FY 2007	5,005	3,921	78.3%	717.08 yen

### 2. Dividend position

	End of first quarter	End of second quarter	End of third quarter	End of FY	Annual Total
FY 2007	----	0.00 yen	----	30.00 yen	30.00 yen
FY 2008	----	----	----	----	----
FY 2008 (Forecast)	----	0.00 yen	----	35.00	35.00

### 3. Forecast Consolidated Performance for FY 2008 (April 1, 2008 – March 31, 2009)

	Net sales	Operating profit	Ordinary profit	Net profit	Net profit per share for the fiscal year
FY 2008	8,110 (+12.4%)	525 (+14.5%)	520 (+9.1%)	290 (+11.1%)	53.04 yen

	Sep. 30. 2008	Mar. 31. 2008
<b>Assets</b>		
Current assets		
Cash and deposits	1,883,596	2,055,181
Notes and accounts receivable-trade	959,261	973,987
Short-term investment securities	399,710	499,913
Work in process	36,507	26,248
Other	283,737	214,547
Allowance for doubtful accounts	83	83
<b>Total current assets</b>	<b>3,562,730</b>	<b>3,769,795</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	167,786	198,140
Accumulated depreciation	76,395	104,481
Buildings, net	91,390	93,658
Land	110,534	179,875
Other	129,799	121,927
Accumulated depreciation	92,832	83,651
Other, net	36,967	38,276
<b>Total property, plant and equipment</b>	<b>238,892</b>	<b>311,810</b>
Intangible assets		
Goodwill	26,950	-
Other	69,848	43,828
<b>Total intangible assets</b>	<b>96,798</b>	<b>43,828</b>
Investments and other assets		
Investment securities	644,112	452,409
Other	304,610	428,049
<b>Total investments and other assets</b>	<b>948,722</b>	<b>880,459</b>
<b>Total noncurrent assets</b>	<b>1,284,414</b>	<b>1,236,098</b>
<b>Total assets</b>	<b>4,847,144</b>	<b>5,005,894</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	197,052	184,429
Income taxes payable	90,825	120,767
Provision for bonuses	348,928	330,449
Other	227,483	253,565
<b>Total current liabilities</b>	<b>864,290</b>	<b>889,211</b>
Noncurrent liabilities		
Provision for retirement benefits	45,680	50,759
Provision for directors' retirement benefits	116,718	143,523
Other	128	650
<b>Total noncurrent liabilities</b>	<b>162,527</b>	<b>194,933</b>
<b>Total liabilities</b>	<b>1,026,817</b>	<b>1,084,144</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	491,031	491,031
Capital surplus	499,678	499,678
Retained earnings	2,871,185	2,938,417
Treasury stock	47,653	14,934
<b>Total shareholders' equity</b>	<b>3,814,241</b>	<b>3,914,191</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,308	5,251
Foreign currency translation adjustment	963	1,504
<b>Total valuation and translation adjustments</b>	<b>5,272</b>	<b>6,755</b>
Minority interests	813	801
<b>Total net assets</b>	<b>3,820,326</b>	<b>3,921,749</b>
<b>Total liabilities and net assets</b>	<b>4,847,144</b>	<b>5,005,894</b>

## Consolidated quarterly statements of income

(in thousand of yen)

	Six Months ended September 30
Net sales	3,697,702
Cost of sales	3,117,258
Gross profit	580,443
Selling, general and administrative expenses	
Salaries, allowances and bonuses	102,057
Directors' compensations	92,439
Provision for bonuses	21,053
Retirement benefit expenses	7,181
Provision for directors' retirement benefits	3,000
Other	226,993
Total selling, general and administrative expenses	452,726
Operating income	127,717
Non-operating income	
Interest income	12,298
Other	6,067
Total non-operating income	18,366
Non-operating expenses	
Loss on investments in partnership	6,500
Other	759
Total non-operating expenses	7,259
Ordinary income	138,823
Extraordinary income	
Commutation expenses for prior periods	50,392
Total extraordinary income	50,392
Income before income taxes and minority interests	189,216
Income taxes-current	83,236
Income taxes-deferred	9,153
Total income taxes	92,390
Minority interests in income	19
Net income	96,806

## Consolidated quarterly statements of cash flows

(in thousand of yen)

Six Months ended September 30

Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	189,216
Depreciation and amortization	17,732
Increase (decrease) in provision	13,404
Interest and dividends income	12,508
Loss (gain) on investments in partnership	6,500
Decrease (increase) in notes and accounts receivable-trade	14,725
Decrease (increase) in inventories	10,258
Increase (decrease) in notes and accounts payable-trade	12,623
Decrease (increase) in prepaid expenses	71,350
Other, net	2,276
Subtotal	135,550
Interest and dividends income received	8,495
Interest expenses paid	55
Income taxes paid	114,339
Net cash provided by (used in) operating activities	29,651
Net cash provided by (used in) investment activities	
Purchase of short-term investment securities	100,134
Purchase of property, plant and equipment	10,204
Proceeds from sales of property, plant and equipment	71,755
Purchase of intangible assets	30,459
Proceeds from maturity of insurance funds	5,953
Purchase of investment securities	299,270
Purchase of investments in subsidiaries	29,400
Other, net	4,353
Net cash provided by (used in) investment activities	387,407
Net cash provided by (used in) financing activities	
Decrease in short-term loans payable	16,853
Purchase of treasury stock	32,920
Cash dividends paid	164,074
Net cash provided by (used in) financing activities	213,847
Effect of exchange rate change on cash and cash equivalents	540
Net increase (decrease) in cash and cash equivalents	572,144
Cash and cash equivalents at beginning of period	1,840,120
Cash and cash equivalents at end of period	1,267,976