

Brief Announcement on the Financial Results
for the Second Quarter of the Fiscal Year 2013 (Consolidated)

Company : Quest Co., Ltd.

Stock Exchanges : TSE JASDAQ(Standard)

Stock Code Number : 2332

Location of headquarters : Tokyo Met. Japan

URL: <http://www.quest.co.jp/>

Representative: Name: Kazuro Sato Title: President & Representative Director

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1. Consolidated Performance for the second quarter of FY 2013(April 1, 2013 – September 30, 2013)

(1) Consolidated operating results

(In millions of yen)

	Net sales	Operating income	Ordinary income	Net income for the second quarter of the fiscal year
Results for the second quarter of FY 2013	3,430 (3.6%)	112 (35.8%)	124 (31.8 %)	76 (23.3%)
Results for the second quarter of FY 2012	3,311 (0.4%)	83 (△14.1%)	94 (△17.5 %)	62 (△12.0%)

(Note) Comprehensive Income: Second quarter of FY2013: 115million yen (87.4%), Second quarter of FY2012: 61million yen (△10.7%)

	Net income per share for the second quarter of the fiscal year	Net income per share after adjustment of latent shares for the second quarter of the fiscal year
Results for the second quarter of FY 2013	14.82 yen	----
Results for the second quarter of FY 2012	11.99 yen	----

(2) Consolidated financial position

	Total assets	Shareholder's equity	Ratio of shareholder's equity	Shareholder's equity per share
September 30 2013	4,555	3,599	79.0%	696.22 yen
FY 2012	4,509	3,638	80.7%	703.81 yen

(Reference) Shareholder's equity: Second quarter of FY2013: 3,599million yen, FY2012: 3,638 million yen

2. Dividend position

	End of first quarter	End of second quarter	End of third quarter	End of FY	Annual Total
FY 2012	----	0.00 yen	----	30.00 yen	30.00 yen
FY 2013	----	0.00 yen	----		
FY 2013 (Forecast)			----	30.00 yen	30.00 yen

3. Forecast Consolidated Performance for FY 2013 (April 1, 2013 – March 31, 2014)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY 2013	7,250 (7.0%)	350 (37.5%)	360 (34.2%)	200 (12.8%)	38.69 yen

(In thousands of yen)

Previous Year (FY 2012) Second Quarter (FY 2013)

Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	2,144,920	2,077,059
Accounts receivable-trade	856,779	911,917
Securities	199,675	100,885
Work in process	24,410	36,031
Other	203,511	216,577
Total current assets	3,429,297	3,342,470
Noncurrent assets		
Property, plant and equipment		
Buildings	132,679	133,595
Accumulated depreciation	-58,306	-60,143
Buildings, net	74,372	73,451
Land	69,864	69,864
Other	109,627	113,075
Accumulated depreciation	-88,060	-92,572
Other, net	21,567	20,502
Total property, plant and equipment	165,804	163,819
Intangible assets		
Goodwill	10,200	5,100
Other	83,033	78,054
Total intangible assets	93,233	83,154
Investments and other assets		
Investment securities	613,164	775,105
Other	207,579	190,486
Total investments and other assets	820,744	965,591
Total noncurrent assets	1,079,782	1,212,565
Total assets	4,509,080	4,555,036
Liabilities		
Current liabilities		
Accounts payable-trade	126,334	139,006
Income taxes payable	5,894	67,894
Provision for bonuses	229,752	262,497
Provision for loss on projects	639	1,898
Other	272,926	233,790
Total current liabilities	635,546	705,088
Noncurrent liabilities		
Provision for retirement benefits	217,832	231,951
Provision for directors' retirement benefits	16,675	18,275
Other	461	461
Total noncurrent liabilities	234,968	250,687
Total liabilities	870,514	955,776
Net assets		
Shareholders' equity		
Capital stock	491,031	491,031
Capital surplus	492,898	492,898
Retained earnings	2,852,037	2,773,534
Treasury stock	-221,827	-221,922
Total shareholders' equity	3,614,139	3,535,542
Accumulated other comprehensive income		

Valuation difference on available-for-sale securities	23,527	61,926
Foreign currency translation adjustment	899	1,792
Total accumulated other comprehensive income	24,426	63,718
Total net assets	3,638,565	3,599,260
Total liabilities and net assets	4,509,080	4,555,036

(In thousands of yen)

Second Quarter (FY 2012) Second Quarter (FY 2013)

Consolidated quarterly statements of (comprehensive) income		
Net sales	3,311,817	3,430,405
Cost of sales	2,847,729	2,930,542
Gross profit	464,088	499,863
Selling, general and administrative expenses		
Salaries, allowances and bonuses	112,159	121,525
Directors' compensations	74,510	62,414
Provision for bonuses	19,903	22,279
Retirement benefit expenses	6,829	8,188
Provision for directors' retirement benefits	1,066	1,600
Other	166,473	170,929
Total selling, general and administrative expenses	380,942	386,937
Operating income	83,145	112,926
Non-operating income		
Interest income	9,263	4,141
Dividends income	139	4,668
Other	1,837	2,907
Total non-operating income	11,241	11,716
Non-operating expenses		
Foreign exchange losses	97	374
Other	20	21
Total non-operating expenses	117	395
Ordinary income	94,269	124,247
Extraordinary income		
Extraordinary loss		
Income before income taxes and minority interests	94,269	124,247
Income taxes-current	5,428	67,110
Income taxes-deferred	26,737	-19,455
Total income taxes	32,166	47,655
Income before minority interests	62,103	76,592
Net income	62,103	76,592

(In thousands of yen)
 Second Quarter (FY 2012) Second Quarter (FY 2013)

Consolidated quarterly statements of comprehensive income		
Income before minority interests	62,103	76,592
Other comprehensive income		
Valuation difference on available-for-sale securities	-667	38,398
Foreign currency translation adjustment	387	893
Total other comprehensive income	-279	39,291
Comprehensive income	61,823	115,884
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	61,823	115,884

(In thousands of yen)
Second Quarter (FY 2012) Second Quarter (FY 2013)

Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	94,269	124,247
Depreciation and amortization	31,280	29,455
Amortization of goodwill	5,100	5,100
Increase (decrease) in provision	-66,330	49,723
Interest and dividends income	-9,403	-8,809
Decrease (increase) in notes and accounts receivable-trade	239,635	-55,138
Decrease (increase) in inventories	-19,287	-11,620
Increase (decrease) in notes and accounts payable-trade	-61,556	12,672
Other, net	-64,445	-51,056
Subtotal	149,262	94,574
Interest and dividends income received	9,911	10,162
Income taxes paid	-54,631	-12,862
Income taxes refund	—	7,517
Net cash provided by (used in) operating activities	104,542	99,392
Net cash provided by (used in) investing activities		
Payments into time deposits	—	-500,000
Proceeds from redemption of securities	300,000	200,000
Purchase of property, plant and equipment	-3,275	-5,139
Purchase of intangible assets	-4,163	-2,279
Purchase of investment securities	—	-205,577
Other, net	4,070	-5
Net cash provided by (used in) investing activities	296,631	-513,002
Net cash provided by (used in) financing activities		
Purchase of treasury stock	-41	-96
Cash dividends paid	-155,361	-155,051
Net cash provided by (used in) financing activities	-155,402	-155,148
Effect of exchange rate change on cash and cash equivalents	387	893
Net increase (decrease) in cash and cash equivalents	246,158	-567,865
Cash and cash equivalents at beginning of period	1,734,651	2,127,607
Cash and cash equivalents at end of period	1,980,810	1,559,741
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