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## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year 2017 (Consolidated)

July 31, 2017

Company name: Quest Co., Ltd.

Stock exchanges: TSE JASDAQ(Standard)

Stock code: 2332 URL <http://www.quest.co.jp/>

Representative: President and Representative Director Ichiro Seizawa

Inquiries: Managing Director, in charge of information disclosure Haruki Tsukada TEL 03-3453-1181

Scheduled date to first quarterly financial results: August 7, 2017

Scheduled date to commence dividend payments: —

Preparation of supplementary on first quarterly financial results: No

Holding of first quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated Performance for the first quarter of FY2017 (April 1, 2017 – June 30, 2017)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Results for the first quarter of FY2017	2,074	6.3	47	103.0	56	64.1	39	13.5
Results for the first quarter of FY2016	1,951	4.5	23	△ 32.3	34	△ 17.4	34	27.9

(Note)Comprehensive income: First quarter of FY 2017: 15million yen(△61.2%), First quarter of FY 2016:39Million yen(15.1%)

	Net profit per share for the first quarter of the fiscal year	Net profit per share after adjustment of latent shares for the first quarter of the fiscal year
	Yen	Yen
Results for the first quarter of FY2017	7.68	-
Results for the first quarter of FY2016	6.76	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Results for the first quarter of FY2017	5,179	3,960	76.5	766.18
FY2016	5,420	4,099	75.6	793.21

(Reference)Equity: First quarter of FY2017: 3,960million yen,FY2016: 4,099million yen

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2016	-	0.00	-	30.00	30.00
FY2017	-	-	-	-	-
FY2017(Forecast)	-	0.00	-	30.00	30.00

### 3. Forecast of consolidated financial results for the year ending March 31,2018(April 1, 2017 – March 31, 2018)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,520	4.0	390	6.6	410	3.6	275	△ 2.0	53.21

### 4. Notes

(1)Changes in significant subsidiaries during the first quarter of the fiscal year

(Changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2)Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of period financial statements after error corrections: No

(3)Number of issued shares (Common shares)

Total number of issued shares at the first quarter of the period (including treasury shares)

Results for the first quarter of FY2017	5,487,768	shares	FY2016	5,487,768	shares
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Number of treasury shares at the first quarter of the period

Results for the first quarter of FY2017	319,188	shares	FY2016	319,188	shares
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Average number of shares during the period

Results for the first quarter of FY2017	5,168,580	shares	Results for the first quarter of FY2016	5,168,560	shares
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(In thousands of yen)

Consolidated balance sheets	Previous year(FY2016)	First Quarter(FY2017)
<b>Assets</b>		
Current assets		
Cash and deposits	2,061,088	1,854,940
Notes and accounts receivable - trade	1,651,083	1,646,121
Work in process	33,368	76,252
Deferred tax assets	128,345	108,648
Other	87,875	74,846
Total current assets	3,961,761	3,760,809
Non-current assets		
Property, plant and equipment		
Buildings	67,701	68,024
Accumulated depreciation	△50,165	△50,640
Buildings, net	17,535	17,384
Land	13,460	13,460
Other	108,089	104,747
Accumulated depreciation	△79,515	△77,621
Other, net	28,573	27,126
Total property, plant and equipment	59,570	57,971
Intangible assets	26,468	28,069
Investments and other assets		
Investment securities	1,211,765	1,169,379
Deferred tax assets	—	6,103
Other	161,008	156,904
Total investments and other assets	1,372,774	1,332,388
Total non-current assets	1,458,813	1,418,429
Total assets	5,420,575	5,179,238

(In thousands of yen)

Consolidated balance sheets	Previous year(FY2016)	First Quarter(FY2017)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	246,955	251,126
Income taxes payable	109,724	10,215
Accrued consumption taxes	76,403	94,591
Provision for bonuses	319,491	168,671
Provision for loss on projects	6,160	919
Other	239,414	372,749
<b>Total current liabilities</b>	<b>998,150</b>	<b>898,273</b>
Non-current liabilities		
Deferred tax liabilities	8,246	—
Provision for directors' retirement benefits	3,275	3,275
Net defined benefit liability	311,127	317,618
<b>Total non-current liabilities</b>	<b>322,648</b>	<b>320,893</b>
<b>Total liabilities</b>	<b>1,320,799</b>	<b>1,219,167</b>
Net assets		
Shareholders' equity		
Capital stock	491,031	491,031
Capital surplus	492,926	492,926
Retained earnings	3,181,128	3,065,744
Treasury shares	△222,890	△222,890
<b>Total shareholders' equity</b>	<b>3,942,195</b>	<b>3,826,810</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	236,717	206,041
Remeasurements of defined benefit plans	△79,137	△72,780
<b>Total accumulated other comprehensive income</b>	<b>157,580</b>	<b>133,260</b>
<b>Total net assets</b>	<b>4,099,775</b>	<b>3,960,071</b>
<b>Total liabilities and net assets</b>	<b>5,420,575</b>	<b>5,179,238</b>

(In thousands of yen)

Consolidated statements of (comprehensive)income	First Quarter(FY2016)	First Quarter(FY2017)
Net sales	1,951,287	2,074,281
Cost of sales	1,703,933	1,792,683
Gross profit	247,353	281,597
Selling, general and administrative expenses		
Salaries, allowances and bonuses	75,081	88,439
Directors' compensations	26,930	21,941
Provision for bonuses	14,530	16,373
Retirement benefit expenses	3,308	3,810
Other	104,285	103,897
Total selling, general and administrative expenses	224,137	234,462
Operating profit	23,216	47,135
Non-operating income		
Interest income	373	363
Dividend income	7,593	6,497
Share of profit of entities accounted for using equity method	1,650	1,828
Other	1,448	445
Total non-operating income	11,064	9,134
Non-operating expenses		
Other	0	—
Total non-operating expenses	0	—
Ordinary profit	34,281	56,269
Extraordinary income		
Gain on sales of non-current assets	24,752	—
Total extraordinary income	24,752	—
Extraordinary losses		
Loss on transfer of investments in capital of subsidiaries and associates	15,210	—
Total extraordinary losses	15,210	—
Profit before income taxes	43,823	56,269
Income taxes - current	516	516
Income taxes - deferred	8,367	16,080
Total income taxes	8,883	16,597
Profit	34,939	39,672
Profit attributable to owners of parent	34,939	39,672

(In thousands of yen)

Consolidated statements of comprehensive income	First Quarter(FY2016)	First Quarter(FY2017)
Profit	34,939	39,672
Other comprehensive income		
Valuation difference on available-for-sale securities	2,419	△30,676
Foreign currency translation adjustment	△2,956	—
Remeasurements of defined benefit plans, net of tax	5,144	6,356
Total other comprehensive income	4,607	△24,319
Comprehensive income	39,547	15,352
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,547	15,352