

October 24, 2007

Quest Co., Ltd.
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Quest Co., Ltd. to Establish Local Subsidiary in Dalian, China

--- Following on from India, the company will establish a base in China aimed at system development and maintenance for Japanese companies operating in China, provision of infrastructure and offshore development ---

Quest Co., Ltd. (President and CEO: Kazuro Sato; head office: Minato-ku, Tokyo; “Quest”) hereby announces that it will establish a local subsidiary named Quest (Dalian) Co., Ltd. (Quest Dalian) in Dalian, China as its second overseas base in November 2007, following on from India.

For many years, Quest has provided IT services such as system development and maintenance, and the creation and administration of infrastructure for Japanese blue-chip companies mainly in the manufacturing industry. The company moved into India in 2004, establishing Optis, an affiliated subsidiary, in Bangalore, India to provide IT services to Japanese companies with operations in India, while also positioning the subsidiary as an offshore development center with a team of 40 engineers providing services at present.

Until now, Quest has conducted offshore development in China by utilizing local development partner companies. As major investments by Japanese companies targeting the rapidly growing Chinese domestic market are expected to increase further, a local subsidiary will be established in Dalian, China as the company’s second overseas base providing IT services to Japanese companies operating abroad in the same way as in India. In the first year after the subsidiary’s establishment, most orders will be development projects from customers with existing transactions in Japan, and the company plans to expand its customer base and the scope of its services from the second year onwards. Quest aims to utilize the technology and business know-how it has accumulated over many years in Japan to provide high-quality IT services with the cooperation of local engineers.

Furthermore, Quest Dalian will be positioned as the second offshore development center following on from India. The company will endeavor to develop its own bridge system engineers, increase collaboration with local development partners in Dalian, and improve both productivity and quality. By applying the offshore development techniques accumulated through the offshore development center in India (Optis Information Services India Pvt. Ltd), Quest aims to launch the offshore development center quickly, promote collaboration

between the development centers in India and China, and in particular, effectively utilize overseas resources.

The newly established company will be a wholly-owned subsidiary of Quest, with capital of 8 million yen, and Quest President and CEO Kazuro Sato serving as Executive Director. The company plans to start business with a staff of 17, expanding to 50 employees and 100 million yen in revenue in the third year.

Note: A bridge system engineer is a system engineer that serves as a bridge between offshore development centers conducting system development work from Japanese companies and the Japanese companies.

[Overview of the Company to be Established]

(1) Company Name	慧德科技(大連)有限公司 QUEST (DALIAN) CO.,LTD.
(2) Location	Dalian, People's Republic of China
(3) Executive Director	Kazuro Sato
(4) Capital	8 million yen (translated into Japanese at present rate)
(5) Investor(s)	Quest Co., Ltd. 100%
(6) Date established	November 2007 (planned)
(7) Start of business	November 2007 (planned)
(8) Principal lines of business	IT services for Japanese companies (system development/maintenance, infrastructure services) Offshore system development and maintenance from Japan
(9) Closing date of business year	December 31

[Outlook]

The effect of this event on performance for the year ending March 2008 will be minor. Notice will be provided on the performance forecasts for next year and onwards once they have been established. Prompt notification will also be provided regarding undecided areas once they have been decided upon.

The performance forecasts for Quest Co., Ltd. contained in this document are forward-looking statements and are assessments made by the management of this company, on the basis of information available at this current time. They contain risks and uncertainties.

For this reason, we advise that you do not place undue reliance solely on these performance forecasts when making your determinations regarding investment.

There is a possibility that actual performance may differ greatly from such performance forecasts due to various important factors. Important factors that may possibly affect actual performance include the economic climate, market trends and world affairs related to this company's area of business.

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