

Brief Announcement on the Financial Results
for the Second Quarter of the Fiscal Year 2012 (Consolidated)

Company : Quest Co., Ltd.

Stock Exchanges : OSE 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 2012(April 1, 2012 – September 30, 2012)

(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 2012	3,311 (0.4%)	83 (△14.1%)	94 (△17.5 %)	62 (△12.0%)
Results for the second quarter of FY 2011	3,297 (7.7%)	96 (△ 0.8%)	114 (1.1 %)	70 (28.3%)

(Note) Comprehensive Income: Second quarter of FY2012: 61million yen (△10.7%), Second quarter of FY2011: 69million yen (30.0%)

	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 2012	11.99 yen	----
Results for the second quarter of FY 2011	13.35 yen	----

(2) Consolidated financial position

	Total assets	Shareholder's equity	Ratio of shareholder's equity	Shareholder's equity per share
September 30 2012	4,404	3,527	80.1%	680.93 yen
FY 2011	4,747	3,620	76.3%	699.00 yen

(Reference) Shareholder's equity: Second quarter of FY2012: 3,527million yen, FY2011: 3,620 million yen

2. Dividend position

	End of first quarter	End of second quarter	End of third quarter	End of FY	Annual Total
FY 2011	----	0.00 yen	----	30.00 yen	30.00 yen
FY 2012	----	0.00 yen			
FY 2012 (Forecast)			----	30.00 yen	30.00 yen

3. Forecast Consolidated Performance for FY 2012 (April 1, 2012 – March 31, 2013)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY 2012	7,200 (4.9%)	350 (20.6%)	360 (12.0%)	200 (62.1%)	38.61 yen

(In thousands of yen)

Previous Year (FY 2011) Second Quarter (FY 2012)

Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	1,751,959	1,998,123
Notes and accounts receivable-trade	1,054,940	815,304
Short-term investment securities	799,750	698,897
Work in process	60,023	79,311
Other	227,062	214,719
Total current assets	3,893,736	3,806,356
Noncurrent assets		
Property, plant and equipment		
Buildings	130,699	130,699
Accumulated depreciation	-54,414	-56,294
Buildings, net	76,285	74,404
Land	69,864	69,864
Other	110,641	112,224
Accumulated depreciation	-79,569	-85,878
Other, net	31,072	26,346
Total property, plant and equipment	177,222	170,615
Intangible assets		
Goodwill	20,400	15,300
Other	105,292	87,803
Total intangible assets	125,692	103,103
Investments and other assets		
Investment securities	309,997	110,614
Other	240,808	213,424
Total investments and other assets	550,806	324,039
Total noncurrent assets	853,721	597,758
Total assets	4,747,458	4,404,115
Liabilities		
Current liabilities		
Accounts payable-trade	190,978	129,421
Income taxes payable	55,072	5,713
Provision for bonuses	252,590	256,178
Provision for loss on projects	—	821
Other	336,576	264,167
Total current liabilities	835,217	656,303
Noncurrent liabilities		
Provision for retirement benefits	186,007	202,917
Provision for directors' retirement benefits	103,125	15,475
Other	2,399	2,306
Total noncurrent liabilities	291,532	220,699
Total liabilities	1,126,750	877,002
Net assets		
Shareholders' equity		
Capital stock	491,031	491,031
Capital surplus	499,676	499,674
Retained earnings	2,843,311	2,750,018
Treasury stock	-210,385	-210,405
Total shareholders' equity	3,623,633	3,530,318
Accumulated other comprehensive income		

Valuation difference on available-for-sale securities	-896	-1,563
Foreign currency translation adjustment	-2,029	-1,642
Total accumulated other comprehensive income	-2,925	-3,205
Total net assets	3,620,707	3,527,112
Total liabilities and net assets	4,747,458	4,404,115

(In thousands of yen)

Second Quarter (FY 2011) Second Quarter (FY 2012)

Consolidated quarterly statements of (comprehensive) income		
Net sales	3,297,995	3,311,817
Cost of sales	2,792,856	2,847,729
Gross profit	505,139	464,088
Selling, general and administrative expenses		
Salaries, allowances and bonuses	105,401	112,159
Directors' compensations	84,572	74,510
Provision for bonuses	20,899	19,903
Retirement benefit expenses	8,334	6,829
Provision for directors' retirement benefits	2,000	1,066
Other	187,109	166,473
Total selling, general and administrative expenses	408,317	380,942
Operating income	96,821	83,145
Non-operating income		
Interest income	13,396	9,263
Other	4,210	1,977
Total non-operating income	17,607	11,241
Non-operating expenses		
Foreign exchange losses	115	97
Other	25	20
Total non-operating expenses	141	117
Ordinary income	114,287	94,269
Extraordinary income		
Extraordinary loss		
Income before income taxes and minority interests	114,287	94,269
Income taxes-current	50,789	5,428
Income taxes-deferred	-7,034	26,737
Total income taxes	43,754	32,166
Income before minority interests	70,532	62,103
Net income	70,532	62,103

(In thousands of yen)

Second Quarter (FY 2011) Second Quarter (FY 2012)

Consolidated quarterly statements of comprehensive income		
Income before minority interests	70,532	62,103
Other comprehensive income		
Valuation difference on available-for-sale securities	-719	-667
Foreign currency translation adjustment	-591	387
Total other comprehensive income	-1,311	-279
Comprehensive income	69,221	61,823
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	69,221	61,823

(In thousands of yen)
Second Quarter (FY 2011) Second Quarter (FY 2012)

Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	114,287	94,269
Depreciation and amortization	32,933	31,280
Amortization of goodwill	7,550	5,100
Increase (decrease) in provision	27,176	-66,330
Interest and dividends income	-13,521	-9,403
Decrease (increase) in notes and accounts receivable-trade	59,028	239,635
Decrease (increase) in inventories	-41,061	-19,287
Increase (decrease) in notes and accounts payable-trade	5,333	-61,556
Other, net	12,576	-64,445
Subtotal	204,303	149,262
Interest and dividends income received	12,538	9,911
Income taxes paid	-99,824	-54,631
Net cash provided by (used in) operating activities	117,017	104,542
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	-100,295	-
Proceeds from redemption of securities	400,000	300,000
Purchase of property, plant and equipment	-8,360	-3,275
Purchase of intangible assets	-10,755	-4,163
Proceeds from maturity of insurance funds	76,382	-
Purchase of insurance funds	-14,000	-
Purchase of investment securities	-302,601	-
Other, net	2,925	4,070
Net cash provided by (used in) investing activities	43,296	296,631
Net cash provided by (used in) financing activities		
Purchase of treasury stock	-70	-41
Cash dividends paid	-158,515	-155,361
Net cash provided by (used in) financing activities	-158,585	-155,402
Effect of exchange rate change on cash and cash equivalents	-591	387
Net increase (decrease) in cash and cash equivalents	1,136	246,158
Cash and cash equivalents at beginning of period	1,409,180	1,734,651
Cash and cash equivalents at end of period	1,410,316	1,980,810
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