

May 16, 2008

## Brief Announcement on the Financial Results for the Fiscal Year Ended March 31, 2008 (Consolidated)

Company : Quest Co., Ltd.

Stock Listings : JASDAQ

Code : 2332

Location of headquarters : Tokyo

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

Inquiries : Title of director in charge of information disclosure : Senior director

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### 1. Consolidated Performance for the FY 2007(April 1, 2007 – March 31, 2008)

#### (1) Consolidated operating results

(In millions of yen)

	Net sales	Operating profit	Ordinary profit	Net income
Mar.31, 2008	7,212(+4.6%)	458( -2.5%)	476(+ 0.3%)	260( -10.1%)
Mar.31, 2007	6,892(+6.5%)	470( +55.0%)	475(+29.0%)	290(+110.9%)

	Net profit per share	Fully diluted net profit per share	Return on equity	Return on Assets	Ratio of ordinary profit to net sales
Mar.31, 2008	47.73 yen	47.68 yen	6.8%	9.6%	6.4%
Mar.31, 2007	71.05 yen	70.35 yen	7.7%	9.9%	6.8%

Note:

- Changes in investment by the equity method : Mar.31 2008 --;  
Mar.31 2007 --;

#### (2) Consolidated financial position

	Total assets (in millions of yen)	Shareholder's equity (in millions of yen)	Ratio of shareholder's equity	Shareholder's equity per share
Mar.31,2008	5,005	3,921	78.3%	717.08 yen
Mar.31,2007	4,946	3,805	76.9%	904.54 yen

Note: 1. Self stocks : Mar.31 2008 = 3,920 millions of yen;  
Mar.31 2007 =3,804 millions of yen;

(3) Consolidated cashflow position

(In millions of yen)

	Cashflow from operating activities	Cashflow from investment activities	Cashflow from financing activities	Cash and cash equivalents at end of term
Mar.31, 2008	504	684	157	1,840
Mar.31, 2007	102	403	1	2,178

2. Dividend position

	Dividends par share			Amount of dividend ( Full term ) ( in millions of yen )	Dividend Payout ratio	Dividend rate on shareholders' equity
		Interim	Year-end			
Mar.31, 2007	-	30.00 yen	30.00 yen	126	42.2%	3.3%
Mar.31, 2008	-	30.00 yen	30.00 yen	164	62.9%	3.7%
Mar.31, 2009 (Forecast)	-	30.00 yen	30.00 yen	-	56.6%	-

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

(In millions of yen)

	Net sales	Operating profit	Ordinary profit	Net income	Net profit per share
Half year	3,833(+10.1%)	162( 7.7%)	164( 11.5%)	91( 6.9%)	16.82 yen
Full term	8,110(+12.4%)	525(+14.5%)	520( + 9.1%)	290(+11.1%)	53.04 yen

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(In thousands of yen)

By term Item	Previous term (as of March 31, 2007)		Current term (as of March 31, 2008)	
	Amount	Compositio n ratio	Amount	Compositio n ratio
(Assets)		%		%
I. Current assets				
Cash and deposits	2,192,231		2,055,181	
Accounts receivable	1,235,370		973,987	
Valuable securities	300,000		499,913	
Inventory assets	25,023		26,248	
Deferred tax assets	166,525		162,853	
Other	54,697		51,694	
Allowance for doubtful accounts	648		83	
Total current assets	3,973,200	80.3	3,769,795	75.3
II. Fixed assets				
1. Tangible fixed assets				
Buildings	192,756		198,140	
Cumulative depreciation	99,079	93,676	104,481	93,658
Land		186,275		179,875
Other	134,828		121,927	
Cumulative depreciation	93,990	40,838	83,651	38,276
Total fixed assets		320,790		311,810
2. Intangible fixed assets		42,655		43,828
3. Investments and other assets				
Investment securities		187,008		452,409
Deferred tax assets		108,156		100,777
Other		356,890		327,272
Allowance for doubtful accounts		42,556		-
Total investments and other assets		609,498		880,459
Total fixed assets		972,944		1,236,098
Total assets		4,946,145		5,005,894
		100.0		100.0

(In thousands of yen)

By term Item	Previous term (as of March 31, 2007)		Current term (as of March 31, 2008)	
	Amount	Compositio n ratio	Amount	Compositio n ratio
(Liabilities)		%		%
I. Current liabilities				
Trade accounts payable	178,448		184,429	
Accrued income and other taxes	161,592		120,767	
Reserve for onus	326,616		330,449	
Other	278,359		253,565	
Total current liabilities	945,017	19.1	889,211	17.8
II. Fixed liabilities				
Accrued pension and severance costs	58,396		50,759	
Liability for directors' retirement benefits	135,498		143,523	
Other	1,694		650	
Total fixed liabilities	195,588	4.0	194,933	3.9
Total liabilities	1,140,606	23.1	1,084,144	21.7
(Net assets)				
I. Stockholders' equity				
1. Common stock	491,031	9.9	491,031	9.8
2. Capital surplus	502,671	10.1	499,678	10.0
3. Retained earnings	2,803,693	56.7	2,938,417	58.7
4. Treasury stock	11,818	0.2	14,934	0.3
Total stockholders' equity	3,785,577	76.5	3,914,191	78.2
II. Evaluation / conversion balance				
1. Other unrealized gains on available-for-sale securities	15,197	0.3	5,251	0.1
2. Exchange conversion adjustment calculation	3,902	0.1	1,504	0.0
Total evaluation / conversion balance	19,100	0.4	6,755	0.1
III. Subscription warrant	150	0.0	-	-
IV. Minority interests	711	0.0	801	0.0
Total net assets	3,805,538	76.9	3,921,749	78.3
Total liabilities and net assets	4,946,145	100.0	5,005,894	100.0

## (2) Statement of Consolidated Profit and Loss

(In thousands of yen)

By term Item	Previous term (from April 1, 2006 to March 31, 2007)		Current term (from April 1, 2007 to March 31, 2008)		
	Amount	Percentage	Amount	Percentage	
I. Net sales		6,892,470	100.0	7,212,109	100.0
II. Cost of sales		5,647,945	81.9	5,872,228	81.4
Gross profit on sales		1,244,525	18.1	1,339,881	18.6
III. Selling expenses and general administrative expenses					
Salaries and bonuses	204,848			226,142	
Directors compensation	145,989			161,436	
Transfer of bonus payment reserves	19,969			17,718	
Retirement benefit expenses	11,718			12,655	
Transfer of directors' retirement benefit and special service bonus reserves	13,708			8,025	
Amount transferred					
Rental expenses	98,004			106,959	
Transfer to allowance for bad debt	159			-	
Other	280,048	774,446	11.3	348,399	881,337
Operating income		470,078	6.8	458,543	6.4
IV. Nonoperating income					
Interests received	4,298			16,722	
Insurance agency profit and loss	1,286			2,488	
Income rent	1,920			1,493	
Other	2,862	10,366	0.2	2,250	22,955
V. Nonoperating expenses					
Loss on investment securities transactions	2,094			-	
Exchange loss	-			1,791	
Loss on disposition of fixed assets	2,542			2,409	
Other	424	5,061	0.1	682	4,882
Ordinary income		475,382	6.9	476,616	6.6
VI. Extraordinary gains					
Gain on investment securities transactions	45,731	45,731	0.7	-	-
. Extraordinary loss					
Impairment loss	-			7,074	
Loss on investment securities transactions	19,192	19,192		608	7,682
Income before income taxes		501,922	7.3	468,933	6.5
Income taxes – current	251,231			190,083	
Income taxes – deferred	39,647	211,584	3.1	17,859	207,942
Minority interests		99	0.0		81
Net income for the first half of fiscal year		290,239	4.2	260,909	3.6

## (3) Consolidated Statement of Cashflows

(In thousands of yen)

By term Item	Previous term (from April 1, 2006 to March 31, 2007)	Current term (from April 1, 2007 to March 31, 2008)
	Amount	Amount
1. Cashflows – operating activities		
Income for the first half before income taxes	501,922	468,933
Depreciation expenses	29,307	34,846
Goodwill writeoff	-	20,431
Increase (decrease) in allowance reserve (△=decrease)	99,093	38,900
Interest (income) and dividends (income)	4,450	16,872
Gain on securities transactions	45,731	-
Gain on fixed assets transactions	224	-
Impairment loss	-	7,074
Increase (decrease) in trade account receivable(△=increase)	309,639	271,553
Increase in inventory assets (△=increase)	7,763	1,225
Increase (decrease) in purchase liabilities (△=decrease)	2,516	6,512
Increase (decrease) of bankruptcy reorganization claimable assets	19,192	608
Other	77,201	32,334
Subtotal	356,392	720,628
Interest and dividends (income)	2,980	14,454
Income taxes (expense)	257,113	230,832
Cashflow from operating activities	102,259	504,250
II. Cashflows – investment activities		
Outflow due to deposit in fixed deposit account	101,202	1,001,231
Inflow due to withdrawal from fixed deposit account	-	500,000
Outflow due to lending call money lent	24,999	5,499
Inflow due to collection of call money lent	-	22,999
Outflow due to acquisition of securities	300,000	100,000
Inflow due to repayment of securities	-	300,000
Outflow due to procurement of fixed assets	21,739	20,129
Inflow due to transactions of fixed assets	1,994	453
Payments for purchase of investment securities	22,368	5,920
Inflow due to investment securities transactions	108,700	395,487
Inflow due to redemption of investment securities	174,522	-
Inflow due to repayment of investment in securities	-	14,190
Inflow due to acquisition of new consolidated subsidiary	-	7,400
Other	780	1,115
Cashflow from investment activities	403,274	684,339
III. Cashflows – financing activities		
Expense by repayment of call money borrowed	-	25,000
Income by publication of stocks	61,999	-
Payments for purchase of self stocks transactions	1,509	16,356
Inflow due to self stocks transactions	32,000	10,149
Dividends paid	94,032	125,964
Cashflow from financing activities	1,540	157,171
.Exchange difference of cash and cash equivalents	315	820
.Increase (decrease) in cash and cash equivalents (△=decrease)	302,239	338,368
.Outstanding balance of cash and cash equivalents at beginning of period	2,478,334	2,178,489
.Cash with connection addition and an accrual of an equivalent	2,394	-
.Outstanding balance of cash and cash equivalents at end of first half	2,178,489	1,840,120