

**Brief Announcement on the Financial Results**  
for the First Quarter of the Fiscal Year 2010 (Consolidated)

Company : Quest Co., Ltd.

Stock Exchanges : JASDAQ

Stock Code Number : 2332

Location of headquarters : Tokyo Met. Japan

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

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

Inquiries : Name: Akira Furuya Title: Managing Director, in charge of information disclosure

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(In millions of yen)

## 1. Consolidated Performance for the first quarter of FY 2010 (April 1, 2010 – June 30, 2010)

## (1) Consolidated operating results

	Net sales	Operating income	Ordinary income	Net income for the first quarter of the fiscal year
Results for the first quarter of FY 2010	1,473 (△ 3.7%)	14 ( 35.1%)	23 ( 213.4%)	5 (△57.0%)
Results for the first quarter of FY 2009	1,529 (△15.3%)	10 (△75.7%)	7 (△83.3%)	12 (△75.0%)

	Net income per share for the first quarter of the fiscal year	Net income per share after adjustment of latent shares for the first quarter of the fiscal year
Results for the first quarter of FY 2010	1.05 yen	----
Results for the first quarter of FY 2009	2.43 yen	----

## (2) Consolidated financial position

	Total assets	Shareholder's equity	Ratio of shareholder's equity	Shareholder's equity per share
June 30 2010	4,345	3,573	82.2%	676.46 yen
FY 2009	4,515	3,726	82.5%	705.57 yen

## 2. Dividend position

	End of first quarter	End of second quarter	End of third quarter	End of FY	Annual Total
FY 2009	----	0.00 yen	----	30.00 yen	30.00 yen
FY 2010	----				
FY 2010 (Forecast)		0.00 yen	----	30.00 yen	30.00 yen

## 3. Forecast Consolidated Performance for FY 2010 (April 1, 2010 – March 31, 2011)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY 2010	6,430 (4.3%)	268 (52.4%)	280 (46.5%)	170 (99.5%)	32.18 yen

(In thousands of yen)  
 First Quarter (FY 2010) Previous Year (FY 2009)

Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	1,268,351	1,289,510
Notes and accounts receivable-trade	777,466	897,275
Short-term investment securities	699,860	599,386
Merchandise	—	1,552
Work in process	55,878	34,752
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Other	184,613	226,977
Allowance for doubtful accounts	-380	-380
Total current assets	2,985,789	3,049,075
Noncurrent assets		
Property, plant and equipment		
Buildings	166,791	166,791
Accumulated depreciation	-84,853	-83,832
Buildings, net	81,937	82,959
Land	110,534	110,534
Other	117,151	114,936
Accumulated depreciation	-98,083	-96,325
Other, net	19,068	18,611
Total property, plant and equipment	211,541	212,105
Intangible assets		
Goodwill	48,050	53,050
Other	84,072	80,189
Total intangible assets	132,122	133,239
Investments and other assets		
Investment securities	716,023	816,884
Other	299,624	304,653
Allowance for doubtful accounts	—	-309
Total investments and other assets	1,015,647	1,121,228
Total noncurrent assets	1,359,311	1,466,573
Total assets	4,345,101	4,515,648
Liabilities		
Current liabilities		
Accounts payable-trade	105,550	123,911
Income taxes payable	155	14,310
Provision for bonuses	109,699	240,017
Provision for loss on projects	3,185	1,087
Other	333,431	197,267
Total current liabilities	552,021	576,594
Noncurrent liabilities		
Provision for retirement benefits	111,216	101,132
Provision for directors' retirement benefits	108,742	110,942
Total noncurrent liabilities	219,959	212,075
Total liabilities	771,980	788,669
Net assets		
Shareholders' equity		
Capital stock	491,031	491,031
Capital surplus	499,678	499,678

Retained earnings	2,732,629	2,885,531
Treasury stock	-149,414	-149,317
Total shareholders' equity	3,573,925	3,726,924
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	114	767
Foreign currency translation adjustment	-919	-712
Total valuation and translation adjustments	-805	54
Total net assets	3,573,120	3,726,978
Total liabilities and net assets	4,345,101	4,515,648

(In thousands of yen)  
 First Quarter (FY 2009) First Quarter (FY 2010)

Consolidated quarterly statements of income		
Net sales	1,529,536	1,473,594
Cost of sales	1,320,775	1,252,562
Gross profit	208,761	221,032
Selling, general and administrative expenses		
Salaries, allowances and bonuses	58,061	58,774
Directors' compensations	39,305	40,492
Provision for bonuses	6,384	8,894
Retirement benefit expenses	3,868	5,630
Provision for directors' retirement benefits	1,199	800
Other	89,548	92,396
Total selling, general and administrative expenses	198,368	206,989
Operating income	10,393	14,042
Non-operating income		
Interest income	6,636	7,576
Other	900	1,999
Total non-operating income	7,537	9,576
Non-operating expenses		
Loss on investments in partnership	10,124	—
Foreign exchange losses	—	137
Other	314	1
Total non-operating expenses	10,438	139
Ordinary income	7,492	23,480
Extraordinary income		
Extraordinary loss		
Loss on sales of investment securities	943	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	8,362
Total extraordinary losses	943	8,362
Income before income taxes and minority interests	6,548	15,118
Income taxes-current	1,539	575
Income taxes-deferred	-7,950	8,976
Total income taxes	-6,411	9,552
Income before minority interests	—	5,566
Net income	12,959	5,566

(In thousands of yen)

First Quarter (FY 2009) First Quarter (FY 2010)

Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,548	15,118
Depreciation and amortization	6,890	8,277
Amortization of goodwill	5,000	5,000
Increase (decrease) in provision	-212,098	-120,336
Interest and dividends income	-6,786	-7,819
Loss (gain) on investments in partnership	10,124	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	8,362
Decrease (increase) in notes and accounts receivable-trade	190,686	119,808
Decrease (increase) in inventories	-19,311	-19,572
Increase (decrease) in notes and accounts payable-trade	-65,574	-18,360
Other, net	151,455	136,007
Subtotal	66,935	126,484
Interest and dividends income received	6,402	8,515
Income taxes paid	-6,775	-11,319
Net cash provided by (used in) operating activities	66,562	123,680
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	100,000	—
Proceeds from redemption of securities	200,000	—
Purchase of property, plant and equipment	—	-2,214
Purchase of intangible assets	-4,321	-9,617
Purchase of investment securities	-101,913	—
Other, net	-250	-39
Net cash provided by (used in) investing activities	193,515	-11,871
Net cash provided by (used in) financing activities		
Purchase of treasury stock	-16,968	-98
Cash dividends paid	-145,510	-132,525
Net cash provided by (used in) financing activities	-162,479	-132,623
Effect of exchange rate change on cash and cash equivalents	—	-344
Net increase (decrease) in cash and cash equivalents	97,598	-21,159
Cash and cash equivalents at beginning of period	1,085,846	1,272,239
Cash and cash equivalents at end of period	1,183,445	1,251,080
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