

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

Company : Quest Co., Ltd.

Stock Exchanges : OSE 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

Phone: +81-3-3453-1181

(In millions of yen)

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

## (1) Consolidated operating results

	Net sales	Operating income	Ordinary income	Net income for the second quarter of the fiscal year
Results for the second quarter of FY 2010	3,062 ( $\Delta$ 0.3%)	97 ( 124.7%)	113 ( 132.0%)	54 ( 61.3%)
Results for the second quarter of FY 2009	3,071 ( $\Delta$ 16.9%)	43 ( $\Delta$ 66.0%)	48 ( $\Delta$ 64.9%)	34 ( $\Delta$ 64.8%)

	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 2010	10.41 yen	----
Results for the second quarter of FY 2009	6.40 yen	----

## (2) Consolidated financial position

	Total assets	Shareholder's equity	Ratio of shareholder's equity	Shareholder's equity per share
September 30 2010	4,450	3,621	81.4%	685.65 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	----	0.00 yen			
FY 2010 (Forecast)			----	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)

Second Quarter (FY 2010) Previous Year (FY 2009)

Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	1,294,114	1,289,510
Notes and accounts receivable-trade	886,797	897,275
Short-term investment securities	700,732	599,386
Merchandise	—	1,552
Work in process	31,180	34,752
		※
Other	217,625	226,977
Allowance for doubtful accounts	—	-380
Total current assets	3,130,450	3,049,075
Noncurrent assets		
Property, plant and equipment		
Buildings	144,574	166,791
Accumulated depreciation	-64,119	-83,832
Buildings, net	80,455	82,959
Land	85,264	110,534
Other	117,438	114,936
Accumulated depreciation	-99,745	-96,325
Other, net	17,692	18,611
Total property, plant and equipment	183,412	212,105
Intangible assets		
Goodwill	43,050	53,050
Other	90,604	80,189
Total intangible assets	133,654	133,239
Investments and other assets		
Investment securities	712,502	816,884
Other	290,064	304,653
Allowance for doubtful accounts	—	-309
Total investments and other assets	1,002,567	1,121,228
Total noncurrent assets	1,319,634	1,466,573
Total assets	4,450,084	4,515,648
Liabilities		
Current liabilities		
Accounts payable-trade	130,245	123,911
Income taxes payable	33,335	14,310
Provision for bonuses	229,388	240,017
Provision for loss on projects	3,009	1,087
Other	195,945	197,267
Total current liabilities	591,924	576,594
Noncurrent liabilities		
Provision for retirement benefits	127,045	101,132
Provision for directors' retirement benefits	109,542	110,942
Total noncurrent liabilities	236,588	212,075
Total liabilities	828,512	788,669
Net assets		
Shareholders' equity		
Capital stock	491,031	491,031
Capital surplus	499,676	499,678

Retained earnings	2,782,059	2,885,531
Treasury stock	-149,517	-149,317
Total shareholders' equity	3,623,249	3,726,924
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-618	767
Foreign currency translation adjustment	-1,059	-712
Total valuation and translation adjustments	-1,677	54
Total net assets	3,621,572	3,726,978
Total liabilities and net assets	4,450,084	4,515,648

(In thousands of yen)

for the six-month period (Apr.-Sep.)

Second Quarter (FY 2009) Second Quarter (FY 2010)

Consolidated quarterly statements of income		
Net sales	3,071,345	3,062,905
Cost of sales	2,646,608	2,565,267
Gross profit	424,737	497,638
Selling, general and administrative expenses		
Salaries, allowances and bonuses	112,273	110,182
Directors' compensations	70,825	81,202
Provision for bonuses	15,269	18,871
Retirement benefit expenses	7,788	11,345
Provision for directors' retirement benefits	2,600	1,600
Other	172,556	176,862
Total selling, general and administrative expenses	381,313	400,065
Operating income	43,423	97,572
Non-operating income		
Interest income	13,877	14,449
Other	2,495	3,314
Total non-operating income	16,373	17,764
Non-operating expenses		
Loss on valuation of investment securities	—	1,298
Loss on investments in partnership	10,409	—
Loss on sales of noncurrent assets	—	650
Other	639	310
Total non-operating expenses	11,048	2,259
Ordinary income	48,748	113,077
Extraordinary income		
Extraordinary loss		
Impairment loss	—	2,666
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	11,028
Income before income taxes and minority interests	47,805	102,048
Income taxes-current	6,985	33,984
Income taxes-deferred	6,720	13,069
Total income taxes	13,705	47,053
Income before minority interests	—	54,995
Net income	34,099	54,995

(In thousands of yen)

for the six-month period (Apr. -Sep.)

Second Quarter (FY 2009) Second Quarter (FY 2010)

Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	47,805	102,048
Depreciation and amortization	14,993	16,984
Amortization of goodwill	10,000	10,000
Increase (decrease) in provision	-71,171	15,115
Interest and dividends income	-14,027	-14,692
Loss (gain) on valuation of investment securities	—	1,298
Loss (gain) on investments in partnership	10,409	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	8,362
Decrease (increase) in notes and accounts receivable-trade	191,685	10,478
Decrease (increase) in inventories	2,103	5,124
Increase (decrease) in notes and accounts payable-trade	-99,731	6,333
Other, net	-20,682	1,175
Subtotal	71,383	162,229
Interest and dividends income received	14,072	14,246
Income taxes paid	-15,160	-12,047
Income taxes refund	15,926	—
Net cash provided by (used in) operating activities	86,222	164,428
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	600,000	—
Purchase of short-term investment securities	—	-200,000
Proceeds from redemption of securities	200,000	300,000
Purchase of property, plant and equipment	-1,524	-2,708
Proceeds from sales of property, plant and equipment	—	23,000
Purchase of intangible assets	-4,721	-21,632
Purchase of investment securities	-101,913	-100,000
Other, net	-600	50
Net cash provided by (used in) investing activities	691,241	-1,290
Net cash provided by (used in) financing activities		
Purchase of treasury stock	-29,053	-238
Cash dividends paid	-186,963	-157,974
Net cash provided by (used in) financing activities	-216,017	-158,213
Effect of exchange rate change on cash and cash equivalents	244	-346
Net increase (decrease) in cash and cash equivalents	561,691	4,577
Cash and cash equivalents at beginning of period	1,085,846	1,272,239
Cash and cash equivalents at end of period	1,647,538	1,276,817