

**Brief Announcement on the Consolidated Financial Results
for the Fiscal Year 2013, Ended March 31, 2014**

Company: Quest Co., Ltd.

Stock Exchanges: TSE 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

Inquiries: Name:Chiaki Yamakoshi Title: Managing Director, in charge of information disclosure

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1. Consolidated Performance for the FY 2013(April 1, 2013 – March 31, 2014)

(1) Consolidated operating results (In millions of yen)

| | Net sales | Operating income | Ordinary income | Net income |
|--------------|--------------|------------------|-----------------|-------------|
| Mar.31, 2014 | 7,090(4.7%) | 270(6.2%) | 289(8.1%) | 166(△6.3%) |
| Mar.31, 2013 | 6,774(△1.3%) | 254(△12.2%) | 268(△16.5%) | 177(43.7%) |

(Note)Comprehensive Income: FY 2013: 233 million yen (14.0%), FY 2012: 204 million yen (67.8%)

| | Net income per share | Net income per share after adjustment of latent shares | Return on Equity | Return on Assets | Ratio of ordinary profit to net sales |
|--------------|----------------------|--|------------------|------------------|---------------------------------------|
| Mar.31, 2014 | 32.12 yen | — | 4.6% | 6.2% | 3.8% |
| Mar.31, 2013 | 33.80 yen | — | 4.9% | 5.8% | 3.8% |

(Reference) Equity in net losses of affiliated companies: FY 2013: — million yen, FY 2012: — million yen

(2) Consolidated financial position (in millions of yen)

| | Total assets | Shareholder's equity | Ratio of shareholder's equity | Shareholder's equity per share |
|--------------|--------------|----------------------|-------------------------------|--------------------------------|
| Mar.31, 2014 | 4,831 | 3,621 | 75.0% | 700.56 yen |
| Mar.31, 2013 | 4,509 | 3,638 | 80.7% | 703.81 yen |

(Reference) Shareholder's equity: FY 2013: 3,621million yen, FY 2012: 3,638million yen

(3) Consolidated cash flows (In millions of yen)

| | Net cash from operating activities | Net cash from investment activities | Net cash from financing activities | Cash and cash equivalents at end of period |
|--------------|------------------------------------|-------------------------------------|------------------------------------|--|
| Mar.31, 2014 | 187 | △634 | △157 | 1,525 |
| Mar.31, 2013 | 280 | 298 | △189 | 2,127 |

2. Dividend position

| | Dividends par share | | | Amount of dividend (Full term) (in millions of yen) | Payout ratio | Dividend on Equity ratio |
|-------------------------|---------------------|-----------|-----------|--|--------------|--------------------------|
| | | Interim | Year-end | | | |
| Mar.31, 2013 | - | 30.00 yen | 30.00 yen | 155 | 88.8% | 4.3% |
| Mar.31, 2014 | - | 30.00 yen | 30.00 yen | 155 | 93.4% | 4.3% |
| Mar.31, 2015 (Forecast) | - | 30.00 yen | 30.00 yen | | 73.8% | |

3. Forecast Consolidated Performance for FY 2014 (April 1, 2014 - March 31, 2015)

(In millions of yen)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|-------------|--------------|------------------|-----------------|------------|----------------------|
| Fiscal 2014 | 7,500(+5.8%) | 350(+29.4%) | 360(+24.2%) | 210(+26.5) | 40.62 yen |

(In thousands of yen)

| Consolidated balance sheets | Previous year | This year |
|--|------------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,144,920 | 2,042,569 |
| Accounts receivable - trade | 856,779 | 1,095,373 |
| Securities | 199,675 | 301,212 |
| Work in process | 24,410 | 10,612 |
| Deferred tax assets | 105,227 | 112,033 |
| Other | 98,284 | 119,509 |
| Total current assets | 3,429,297 | 3,681,311 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 132,679 | 133,595 |
| Accumulated depreciation | △58,306 | △62,010 |
| Buildings, net | 74,372 | 71,584 |
| Land | 69,864 | 69,864 |
| Leased assets | 5,536 | 5,536 |
| Accumulated depreciation | △3,229 | △5,074 |
| Leased assets, net | 2,306 | 461 |
| Other | 104,091 | 107,591 |
| Accumulated depreciation | △84,831 | △88,361 |
| Other, net | 19,260 | 19,230 |
| Total property, plant and equipment | 165,804 | 161,141 |
| Intangible assets | | |
| Goodwill | 10,200 | — |
| Other | 83,033 | 41,856 |
| Total intangible assets | 93,233 | 41,856 |
| Investments and other assets | | |
| Investment securities | 613,164 | 715,442 |
| Deferred tax assets | 69,689 | 94,750 |
| Other | 137,890 | 137,230 |
| Total investments and other assets | 820,744 | 947,423 |
| Total non-current assets | 1,079,782 | 1,150,421 |
| Total assets | 4,509,080 | 4,831,732 |

(In thousands of yen)

| Consolidated balance sheets | Previous year | This year |
|---|------------------|------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 126,334 | 183,985 |
| Lease obligations | 1,845 | 461 |
| Income taxes payable | 5,894 | 120,520 |
| Provision for bonuses | 229,752 | 247,729 |
| Provision for loss on projects | 639 | 2,113 |
| Other | 271,080 | 259,020 |
| Total current liabilities | 635,546 | 813,829 |
| Non-current liabilities | | |
| Lease obligations | 461 | — |
| Provision for retirement benefits | 217,832 | — |
| Provision for directors' retirement benefits | 16,675 | 19,875 |
| Net defined benefit liability | — | 376,632 |
| Total non-current liabilities | 234,968 | 396,507 |
| Total liabilities | 870,514 | 1,210,337 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 491,031 | 491,031 |
| Capital surplus | 492,898 | 492,898 |
| Retained earnings | 2,852,037 | 2,863,008 |
| Treasury shares | △221,827 | △222,236 |
| Total shareholders' equity | 3,614,139 | 3,624,702 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 23,527 | 89,245 |
| Foreign currency translation adjustment | 899 | 2,364 |
| Remeasurements of defined benefit plans | — | △94,917 |
| Total accumulated other comprehensive income | 24,426 | △3,307 |
| Total net assets | 3,638,565 | 3,621,394 |
| Total liabilities and net assets | 4,509,080 | 4,831,732 |

(In thousands of yen)

| Consolidated statements of (comprehensive) income | Previous year | This year |
|--|---------------|-----------|
| Net sales | 6,774,169 | 7,090,290 |
| Cost of sales | 5,760,268 | 6,070,762 |
| Gross profit | 1,013,900 | 1,019,527 |
| Selling, general and administrative expenses | | |
| Salaries, allowances and bonuses | 252,842 | 255,487 |
| Directors' compensations | 137,492 | 119,396 |
| Provision for bonuses | 17,430 | 19,726 |
| Retirement benefit expenses | 14,420 | 16,394 |
| Provision for directors' retirement benefits | 2,266 | 3,200 |
| Rent expenses | 81,495 | 75,596 |
| Other | 253,336 | 259,208 |
| Total selling, general and administrative expenses | 759,284 | 749,009 |
| Operating income | 254,615 | 270,517 |
| Non-operating income | | |
| Interest income | 14,988 | 7,283 |
| Dividend income | 267 | 8,928 |
| Other | 2,769 | 3,997 |
| Total non-operating income | 18,025 | 20,210 |
| Non-operating expenses | | |
| Loss on valuation of investment securities | 3,389 | — |
| Foreign exchange losses | 479 | 686 |
| Other | 508 | 133 |
| Total non-operating expenses | 4,377 | 820 |
| Ordinary income | 268,263 | 289,907 |
| Extraordinary losses | | |
| Additional contribution on withdrawal from welfare pension fund | — | 5,695 |
| Total extraordinary losses | — | 5,695 |
| Income before income taxes and minority interests | 268,263 | 284,212 |
| Income taxes - current | 57,206 | 133,844 |
| Income taxes - deferred | 33,753 | △15,698 |
| Total income taxes | 90,960 | 118,145 |
| Income before minority interests | 177,303 | 166,066 |
| Net income | 177,303 | 166,066 |

(In thousands of yen)

| Consolidated statements of comprehensive income | Previous year | This year |
|---|---------------|-----------|
| Income before minority interests | 177,303 | 166,066 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 24,423 | 65,718 |
| Foreign currency translation adjustment | 2,928 | 1,465 |
| Total other comprehensive income | 27,352 | 67,183 |
| Comprehensive income | 204,655 | 233,249 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 204,655 | 233,249 |
| Comprehensive income attributable to minority interests | — | — |

Consolidated statements of changes in net assets

(In thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 491,031 | 499,676 | 2,843,311 | △210,385 | 3,623,633 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | △155,396 | | △155,396 |
| Net income | | | 177,303 | | 177,303 |
| Purchase of treasury shares | | | | △192,562 | △192,562 |
| Disposal of treasury shares | | △6,778 | △13,181 | 181,120 | 161,161 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | — | △6,778 | 8,725 | △11,441 | △9,494 |
| Balance at end of current period | 491,031 | 492,898 | 2,852,037 | △221,827 | 3,614,139 |

| | Accumulated other comprehensive income | | | | Total net assets |
|--|---|---|---|--|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of current period | △896 | △2,029 | — | △2,925 | 3,620,707 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | | | △155,396 |
| Net income | | | | | 177,303 |
| Purchase of treasury shares | | | | | △192,562 |
| Disposal of treasury shares | | | | | 161,161 |
| Net changes of items other than shareholders' equity | 24,423 | 2,928 | — | 27,352 | 27,352 |
| Total changes of items during period | 24,423 | 2,928 | — | 27,352 | 17,858 |
| Balance at end of current period | 23,527 | 899 | — | 24,426 | 3,638,565 |

(In thousands of yen)

| Consolidated statements of cash flows | Previous year | This year |
|--|---------------|-----------|
| Cash flows from operating activities | | |
| Income before income taxes and minority interests | 268,263 | 284,212 |
| Depreciation | 71,086 | 75,225 |
| Amortization of goodwill | 10,200 | 10,200 |
| Loss (gain) on sales and valuation of investment securities | 3,389 | — |
| Increase (decrease) in provision | △76,824 | 33,973 |
| Interest and dividend income | △15,255 | △16,212 |
| Decrease (increase) in notes and accounts receivable - trade | 198,160 | △238,593 |
| Decrease (increase) in inventories | 35,613 | 13,797 |
| Increase (decrease) in notes and accounts payable - trade | △64,644 | 57,651 |
| Other, net | △61,358 | △23,751 |
| Subtotal | 368,629 | 196,502 |
| Interest and dividend income received | 18,235 | 20,003 |
| Income taxes paid | △105,996 | △36,099 |
| Income taxes refund | — | 7,517 |
| Net cash provided by (used in) operating activities | 280,868 | 187,923 |
| Cash flows from investing activities | | |
| Payments into time deposits | — | △500,000 |
| Proceeds from redemption of securities | 800,000 | 200,000 |
| Purchase of property, plant and equipment | △7,162 | △9,739 |
| Purchase of intangible assets | △30,291 | △17,872 |
| Purchase of investment securities | △467,964 | △307,369 |
| Payments for lease and guarantee deposits | △138 | △135 |
| Proceeds from collection of lease and guarantee deposits | 4,070 | 353 |
| Other, net | — | 487 |
| Net cash provided by (used in) investing activities | 298,514 | △634,275 |
| Cash flows from financing activities | | |
| Purchase of treasury shares | △193,014 | △414 |
| Proceeds from disposal of treasury shares | 161,161 | — |
| Cash dividends paid | △155,658 | △155,208 |
| Repayments of lease obligations | △1,845 | △1,845 |
| Net cash provided by (used in) financing activities | △189,356 | △157,468 |
| Effect of exchange rate change on cash and cash equivalents | 2,928 | 1,465 |
| Net increase (decrease) in cash and cash equivalents | 392,955 | △602,354 |
| Cash and cash equivalents at beginning of period | 1,734,651 | 2,127,607 |
| Cash and cash equivalents at end of period | 2,127,607 | 1,525,252 |