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Summary of Non-consolidated Financial Results for the Third Quarter of the Fiscal Year 2017

February 13, 2018

Company name: Quest Co., Ltd.
 Stock exchanges: TSE JASDAQ(Standard)
 Stock code: 2332 URL <http://www.quest.co.jp/>
 Representative: President and Representative Director Ichiro Seizawa
 Inquiries: Managing Director, in charge of information disclosure Haruki Tsukada TEL 03-3453-1181
 Scheduled date of filing of Quarterly Business Report: February 14, 2018
 Scheduled date to commence dividend payments: -
 Preparation of supplementary on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the Q3 of FY2017 (April 1, 2017 – December 31, 2017)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2017 Q3	6,501	-	76	-	99	-	72	-
FY2016 Q3	-	-	-	-	-	-	-	-

	Earnings per share	Earnings per share (Diluted)
	Yen	Yen
FY2017 Q3	14.02	-
FY2016 Q3	-	-

- Until FY2017 Q2, non-consolidated financial results were not disclosed. Therefore, the amounts and percentages of FY2016 Q3 are not disclosed.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
FY2017 Q3	5,300	4,037	76.2	781.12
FY2016	5,457	4,181	76.6	809.06

(Reference) Shareholder's equity: FY2017 Q3: 4,037 Million yen, FY2016: 4,181 Million yen

2. Dividends

	Annual dividends per share				
	Q1	Q2	Q3	Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY2016	0.00	0.00	0.00	30.00	30.00
FY2017	0.00	0.00	0.00		
FY2017(Forecast)				30.00	30.00

(Notes) Changes from the previous forecast of dividends : No

3. Forecast of non-consolidated financial results for the FY2017(April 1, 2017 – March 31, 2018)

	Net sales		Operating profit		Ordinary profit		Net profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	8,740	-	212	-	241	-	169	-	32.70

(Notes) Changes from the previous forecast of financial results : No

- Non-consolidated financial results were not disclosed for FY2016, therefore, the percentages are not disclosed.

4. Notes

(1)Application of special accounting method for preparing quarterly non-consolidated financial statements. No

(2)Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates No

Restatement of period financial statements after error corrections: No

(3)Number of issued shares (Common shares)

Total number of issued shares(including treasury shares)

FY2017 Q3	5,487,768 shares	FY2016	5,487,768 shares
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Number of treasury shares

FY2017 Q3	319,428 shares	FY2016	319,188 shares
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Average number of shares

FY2017 Q3	5,168,530 shares	FY2016 Q3	5,168,585 shares
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(Cautionary note regarding use of the forecast of financial results, and other special notations)

- Due to the merger of our subsidiary, Draft-in Co., Ltd. on October 1, 2017, no subsidiaries to be consolidated are existing at present, therefore, consolidated financial results will not be disclosed from this quarter onwards.

Quarterly Non-consolidated Financial Statements
Quarterly Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31,2017	As of December 31,2017
Assets		
Current assets		
Cash and deposits	2,046,734	1,747,143
Notes and accounts receivable - trade	1,645,684	1,970,413
Work in process	33,661	70,122
Prepaid expenses	71,329	84,808
Income taxes receivable	-	11,280
Deferred tax assets	128,345	146,549
Other	7,771	5,668
Total current assets	3,933,527	4,035,986
Non-current assets		
Property, plant and equipment		
Buildings	17,332	17,935
Vehicles	11,758	8,822
Tools, furniture and fixtures	16,814	18,549
Land	13,084	13,460
Total property, plant and equipment	58,990	58,768
Intangible assets		
Software	20,824	20,681
Other	5,643	5,643
Total intangible assets	26,468	26,325
Investments and other assets		
Investment securities	1,137,854	948,809
Shares of subsidiaries and associates	141,332	76,399
Long-term loans receivable	14,000	12,200
Other	144,910	141,574
Total investments and other assets	1,438,096	1,178,983
Total non-current assets	1,523,556	1,264,076
Total assets	5,457,083	5,300,063

(Thousand yen)

	As of March 31,2017	As of December 31,2017
Liabilities		
Current liabilities		
Accounts payable - trade	250,707	295,361
Short-term loans payable	50,000	-
Accounts payable - other	65,450	132,091
Accrued expenses	123,932	98,281
Income taxes payable	109,544	-
Accrued consumption taxes	76,403	77,791
Advances received	13,594	28,387
Deposits received	23,519	74,732
Provision for bonuses	315,857	167,825
Provision for loss on projects	6,160	150,610
Total current liabilities	1,035,172	1,025,082
Non-current liabilities		
Deferred tax liabilities	43,172	5,415
Provision for retirement benefits	193,768	229,198
Provision for directors' retirement benefits	3,275	3,275
Total non-current liabilities	240,216	237,889
Total liabilities	1,275,388	1,262,972
Net assets		
Shareholders' equity		
Capital stock	491,031	491,031
Capital surplus		
Legal capital surplus	492,898	492,898
Other capital surplus	27	27
Total capital surpluses	492,926	492,926
Retained earnings		
Legal retained earnings	29,890	29,890
Other retained earnings		
General reserve	830,000	830,000
Retained earnings brought forward	2,324,019	2,241,427
Total retained earnings	3,183,909	3,101,317
Treasury shares	(222,890)	(223,122)
Total shareholders' equity	3,944,976	3,862,152
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	236,717	174,938
Total valuation and translation adjustments	236,717	174,938
Total net assets	4,181,694	4,037,091
Total liabilities and net assets	5,457,083	5,300,063

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended December 31, 2017
Net sales	6,501,902
Cost of sales	5,831,508
Gross profit	670,393
Selling, general and administrative expenses	593,658
Operating profit	76,734
Non-operating income	
Interest income	852
Dividend income	18,394
Business advisory fee	1,800
Other	1,990
Total non-operating income	23,037
Non-operating expenses	
Interest expenses	355
Other	3
Total non-operating expenses	359
Ordinary profit	99,413
Extraordinary losses	
Loss on extinguishment of tie-in shares	1,341
Total extraordinary losses	1,341
Profit before income taxes	98,071
Income taxes - current	54,302
Income taxes - deferred	(28,695)
Total income taxes	25,606
Profit	72,465