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## Summary of Non-consolidated Financial Results for the Year Ended March 31, 2019

May 14, 2019

Company name: Quest Co., Ltd.  
 Stock exchanges: TSE JASDAQ(Standard)  
 Stock code: 2332 URL <https://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 ordinary general meeting of shareholders: June 19, 2019  
 Scheduled date of filing Securities Report: June 21, 2019  
 Scheduled date of commence dividend payments: June 20, 2019  
 Preparation of supplementary material on financial results: Yes (in Japanese)  
 Holding of financial results meeting: Yes (for Analyst)

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the year ended March of FY2018 (April 1, 2018 – March 31, 2019)

#### (1) Non-consolidated operating results (Percentage figures are changes from the previous fiscal year)

|        | Net sales       |     | Operating profit |        | Ordinary profit |        | Net profit      |        |
|--------|-----------------|-----|------------------|--------|-----------------|--------|-----------------|--------|
|        | Millions of yen | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      |
| FY2018 | 9,551           | 9.5 | 614              | 702.6  | 643             | 495.9  | 448             | 485.8  |
| FY2017 | 8,724           | 8.3 | 76               | Δ 79.1 | 107             | Δ 73.0 | 76              | Δ 66.9 |

|        | Earnings per share |     | Earnings per share (Diluted) |     | Return on Equity | Return on Assets | Ratio of operating profit to net sales |
|--------|--------------------|-----|------------------------------|-----|------------------|------------------|--|
|        | Yen                | Yen | Yen                          | Yen | %                | %                | %                                      |
| FY2018 | 86.77              | -   | -                            | -   | 10.6             | 11.0             | 6.4                                    |
| FY2017 | 14.81              | -   | -                            | -   | 1.9              | 2.0              | 0.9                                    |

(Reference)Equity earnings of affiliated company: FY2018: 5 Million yen, FY2017: 2 Million yen

#### (2) Non-consolidated financial position

|        | Total assets    | Net assets      | Equity ratio | Book value per share |
|--------|-----------------|-----------------|--------------|----------------------|
|        | Millions of yen | Millions of yen | %            | Yen                  |
| FY2018 | 6,240           | 4,387           | 70.3         | 848.86               |
| FY2017 | 5,475           | 4,064           | 74.2         | 786.39               |

(Reference)Shareholder's equity: FY2018: 4,387 Million yen, FY2017: 4,064 Million yen

#### (3) Non-consolidated cash flows

|        | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|--------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|        | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| FY2018 | 426                                  | 8                                    | Δ 155                                | 2,254                                      |
| FY2017 | Δ 17                                 | 81                                   | Δ 155                                | 1,975                                      |

### 2. Dividends

|                  | Annual dividends per share |      |     |       |       |
|------------------|----------------------------|------|-----|-------|-------|
|                  | Q1                         | Q2   | Q3  | Q4    | Total |
|                  | Yen                        | Yen  | Yen | Yen   | Yen   |
| FY2017           | -                          | 0.00 | -   | 30.00 | 30.00 |
| FY2018           | -                          | 0.00 | -   | 33.00 | 33.00 |
| FY2019(Forecast) | -                          | 0.00 | -   | 33.00 | 33.00 |

3. Forecast of non-consolidated financial results for the FY2019(April 1, 2019 – March 31, 2020)

(Percentage figures are changes from the corresponding period of the previous fiscal year)

|            | Net sales       |     | Operating profit |        | Ordinary profit |       | Net profit      |        | Earnings per share |
|------------|-----------------|-----|------------------|--------|-----------------|-------|-----------------|--------|--------------------|
|            | Millions of yen | %   | Millions of yen  | %      | Millions of yen | %     | Millions of yen | %      | yen                |
| First half | 4,800           | 3.8 | 257              | Δ 10.2 | 272             | Δ 9.3 | 182             | Δ 13.3 | 35.21              |
| Full year  | 10,000          | 4.7 | 570              | Δ 7.2  | 600             | Δ 6.7 | 405             | Δ 9.7  | 78.36              |

4. Notes

(1)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: | None |
| Changes in accounting policies due to other reasons:   | None |
| Changes in accounting estimates  | None |
| Restatement of prior period financial statements after error corrections:                      | None |

(2)Number of issued shares (Common shares)

Total number of issued shares(including treasury shares)

|        |                  |        |                  |
|--------|------------------|--------|------------------|
| FY2018 | 5,487,768 shares | FY2017 | 5,487,768 shares |
|--------|------------------|--------|------------------|

Number of treasury shares

|        |                |        |                |
|--------|----------------|--------|----------------|
| FY2018 | 319,606 shares | FY2017 | 319,428 shares |
|--------|----------------|--------|----------------|

Average number of shares

|        |                  |        |                  |
|--------|------------------|--------|------------------|
| FY2018 | 5,168,294 shares | FY2017 | 5,168,483 shares |
|--------|------------------|--------|------------------|

\* This document is not within the scope of the auditing process by the external auditor.

\* Cautionary statement concerning appropriate use of financial forecasts and other explanatory notes

- The financial forecasts contained in this document are based on the information currently available and certain assumptions deemed reasonable. Actual results may vary from these forecasts for various reasons.

(Supplementary material on financial results)

- Quest will hold a results briefing for analysts on May 21, 2019. Materials (in Japanese) used in the briefing will be published on Quest's website promptly thereafter.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousand yen)

|  | As of March 31,2018 | As of March 31,2019 |
|--|---------------------|---------------------|
| <b>Assets</b>                              |                     |                     |
| Current assets                             |                     |                     |
| Cash and deposits                          | 1,975,051           | 2,254,311           |
| Notes receivable - trade                   | 1,299               | 10,895              |
| Accounts receivable - trade                | 1,884,323           | 2,304,639           |
| Work in process                            | 50,265              | 34,021              |
| Prepaid expenses                           | 102,494             | 91,707              |
| Other                                      | 4,705               | 4,286               |
| <b>Total current assets</b>                | <b>4,018,140</b>    | <b>4,699,862</b>    |
| Non-current assets                         |                     |                     |
| Property, plant and equipment              |                     |                     |
| Buildings, net                             | 18,840              | 21,302              |
| Vehicles, net                              | 7,843               | 5,231               |
| Tools, furniture and fixtures, net         | 16,709              | 24,258              |
| Land                                       | 13,460              | 376                 |
| <b>Total property, plant and equipment</b> | <b>56,854</b>       | <b>51,169</b>       |
| Intangible assets                          |                     |                     |
| Software                                   | 18,598              | 14,795              |
| Other                                      | 5,643               | 5,643               |
| <b>Total intangible assets</b>             | <b>24,242</b>       | <b>20,439</b>       |
| Investments and other assets               |                     |                     |
| Investment securities                      | 982,167             | 1,024,754           |
| Shares of subsidiaries and associates      | 76,399              | 76,399              |
| Long-term loans receivable                 | 12,000              | 9,600               |
| Long-term prepaid expenses                 | 27,084              | 48,642              |
| Deferred tax assets                        | 142,314             | 183,440             |
| Other                                      | 136,519             | 125,938             |
| <b>Total investments and other assets</b>  | <b>1,376,485</b>    | <b>1,468,774</b>    |
| <b>Total non-current assets</b>            | <b>1,457,582</b>    | <b>1,540,383</b>    |
| <b>Total assets</b>                        | <b>5,475,722</b>    | <b>6,240,246</b>    |

(Thousand yen)

|  | As of March 31,2018 | As of March 31,2019 |
|--|---------------------|---------------------|
| <b>Liabilities</b>   |                     |                     |
| Current liabilities  |                     |                     |
| Accounts payable - trade   | 325,614             | 301,450             |
| Accounts payable - other   | 118,973             | 140,650             |
| Accrued expenses   | 122,243             | 150,243             |
| Income taxes payable   | 17,013              | 256,073             |
| Accrued consumption taxes  | 72,191              | 121,832             |
| Advances received  | 20,779              | 36,725              |
| Deposits received  | 61,952              | 64,867              |
| Provision for bonuses  | 329,843             | 495,383             |
| Provision for loss on projects                                       | 96,687              | 150                 |
| Total current liabilities  | 1,165,299           | 1,567,376           |
| Non-current liabilities  |                     |                     |
| Provision for retirement benefits                                    | 242,827             | 282,528             |
| Provision for retirement benefits for directors (and other officers) | 3,275               | 3,275               |
| Total non-current liabilities  | 246,102             | 285,803             |
| <b>Total liabilities</b>   | <b>1,411,402</b>    | <b>1,853,180</b>    |
| <b>Net assets</b>  |                     |                     |
| 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                                    | 2,245,513           | 2,538,912           |
| Total retained earnings  | 3,105,403           | 3,398,802           |
| Treasury shares  | (223,122)           | (223,322)           |
| Total shareholders' equity   | 3,866,238           | 4,159,437           |
| Valuation and translation adjustments                                |                     |                     |
| Valuation difference on available-for-sale securities                | 198,082             | 227,629             |
| Total valuation and translation adjustments                          | 198,082             | 227,629             |
| <b>Total net assets</b>  | <b>4,064,320</b>    | <b>4,387,066</b>    |
| <b>Total liabilities and net assets</b>                              | <b>5,475,722</b>    | <b>6,240,246</b>    |

## Non-consolidated Statements of Income

(Thousand yen)

|  | For the fiscal year<br>ended March 31,2018 | For the fiscal year<br>ended March 31,2019 |
|--|--|--|
| Net sales  | 8,724,917                                  | 9,551,514                                  |
| Cost of sales                                      | 7,851,447                                  | 8,097,298                                  |
| Gross profit                                       | 873,470                                    | 1,454,216                                  |
| Selling, general and administrative expenses       |  |  |
| Salaries and bonuses                               | 291,823                                    | 302,176                                    |
| Remuneration for directors (and other officers)    | 77,241                                     | 69,418                                     |
| Provision for bonuses                              | 21,994                                     | 33,484                                     |
| Retirement benefit expenses                        | 13,046                                     | 11,389                                     |
| Depreciation                                       | 17,635                                     | 15,406                                     |
| Rent expenses                                      | 79,310                                     | 81,130                                     |
| Other  | 295,875                                    | 326,839                                    |
| Total selling, general and administrative expenses | 796,927                                    | 839,844                                    |
| Operating profit                                   | 76,543                                     | 614,371                                    |
| Non-operating income                               |  |  |
| Interest income                                    | 19   | 19   |
| Interest on securities                             | 842  | -  |
| Dividend income                                    | 24,394                                     | 27,290                                     |
| Business advisory fee                              | 1,800                                      | -  |
| Other  | 4,678                                      | 1,404                                      |
| Total non-operating income                         | 31,734                                     | 28,714                                     |
| Non-operating expenses                             |  |  |
| Interest expenses                                  | 355  | -  |
| Commission for purchase of treasury shares         | 3  | 1  |
| Other  | 0  | 0  |
| Total non-operating expenses                       | 359  | 1  |
| Ordinary profit                                    | 107,919                                    | 643,084                                    |
| Extraordinary income                               |  |  |
| Gain on sales of non-current assets                | -  | 12,682                                     |
| Total extraordinary income                         | -  | 12,682                                     |
| Extraordinary losses                               |  |  |
| Loss on valuation of golf club membership          | -  | 5,100                                      |
| Loss on extinguishment of tie-in shares            | 1,341                                      | -  |
| Total extraordinary losses                         | 1,341                                      | 5,100                                      |
| Profit before income taxes                         | 106,577                                    | 650,667                                    |
| Income taxes - current                             | 70,117                                     | 256,383                                    |
| Income taxes - deferred                            | (40,090)                                   | (54,166)                                   |
| Total income taxes                                 | 30,026                                     | 202,217                                    |
| Profit   | 76,550                                     | 448,449                                    |

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2018

(Thousand yen)

|  | Shareholders' equity |                       |                       |                       |                         |                   |                                   |                         |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------|-----------------------------------|-------------------------|
|  | Capital stock        | Capital surplus       |                       |                       | Legal retained earnings | Retained earnings |                                   | Total retained earnings |
|  |                      | Legal capital surplus | Other capital surplus | Total capital surplus |                         | General reserve   | Retained earnings brought forward |                         |
| Balance at beginning of current period               | 491,031              | 492,898               | 27                    | 492,926               | 29,890                  | 830,000           | 2,324,019                         | 3,183,909               |
| Changes of items during period                       |                      |                       |                       |                       |                         |                   |                                   |                         |
| Dividends of surplus                                 |                      |                       |                       |                       |                         |                   | (155,057)                         | (155,057)               |
| Profit   |                      |                       |                       |                       |                         |                   | 76,550                            | 76,550                  |
| Purchase of treasury shares                          |                      |                       |                       |                       |                         |                   |                                   |                         |
| Net changes of items other than shareholders' equity |                      |                       |                       |                       |                         |                   |                                   |                         |
| Total changes of items during period                 | -                    | -                     | -                     | -                     | -                       | -                 | (78,506)                          | (78,506)                |
| Balance at end of current period                     | 491,031              | 492,898               | 27                    | 492,926               | 29,890                  | 830,000           | 2,245,513                         | 3,105,403               |

|  | Shareholders' equity |                            | Valuation and translation adjustments                 |   | Total net assets |
|--|----------------------|----------------------------|---|---|------------------|
|  | Treasury shares      | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                  |
| Balance at beginning of current period               | (222,890)            | 3,944,976                  | 236,717   | 236,717                                     | 4,181,694        |
| Changes of items during period                       |                      |                            |   |   |                  |
| Dividends of surplus                                 |                      | (155,057)                  |   |   | (155,057)        |
| Profit   |                      | 76,550                     |   |   | 76,550           |
| Purchase of treasury shares                          | (231)                | (231)                      |   |   | (231)            |
| Net changes of items other than shareholders' equity |                      |                            | (38,635)  | (38,635)                                    | (38,635)         |
| Total changes of items during period                 | (231)                | (78,738)                   | (38,635)  | (38,635)                                    | (117,373)        |
| Balance at end of current period                     | (223,122)            | 3,866,238                  | 198,082   | 198,082                                     | 4,064,320        |

For the fiscal year ended March 31,2019

(Thousand yen)

|  | Shareholders' equity |                       |                       |                       |                         |                   |                                   |                         |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------|-----------------------------------|-------------------------|
|  | Capital stock        | Capital surplus       |                       |                       | Legal retained earnings | Retained earnings |                                   |                         |
|  |                      | Legal capital surplus | Other capital surplus | Total capital surplus |                         | General reserve   | Retained earnings brought forward | Total retained earnings |
| Balance at beginning of current period               | 491,031              | 492,898               | 27                    | 492,926               | 29,890                  | 830,000           | 2,245,513                         | 3,105,403               |
| Changes of items during period                       |                      |                       |                       |                       |                         |                   |                                   |                         |
| Dividends of surplus                                 |                      |                       |                       |                       |                         |                   | (155,050)                         | (155,050)               |
| Profit   |                      |                       |                       |                       |                         |                   | 448,449                           | 448,449                 |
| Purchase of treasury shares                          |                      |                       |                       |                       |                         |                   |                                   |                         |
| Net changes of items other than shareholders' equity |                      |                       |                       |                       |                         |                   |                                   |                         |
| Total changes of items during period                 | -                    | -                     | -                     | -                     | -                       | -                 | 293,399                           | 293,399                 |
| Balance at end of current period                     | 491,031              | 492,898               | 27                    | 492,926               | 29,890                  | 830,000           | 2,538,912                         | 3,398,802               |

|  | Shareholders' equity |                            | Valuation and translation adjustments                 |   | Total net assets |
|--|----------------------|----------------------------|---|---|------------------|
|  | Treasury shares      | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                  |
| Balance at beginning of current period               | (223,122)            | 3,866,238                  | 198,082   | 198,082                                     | 4,064,320        |
| Changes of items during period                       |                      |                            |   |   |                  |
| Dividends of surplus                                 |                      | (155,050)                  |   |   | (155,050)        |
| Profit   |                      | 448,449                    |   |   | 448,449          |
| Purchase of treasury shares                          | (200)                | (200)                      |   |   | (200)            |
| Net changes of items other than shareholders' equity |                      |                            | 29,546  | 29,546                                      | 29,546           |
| Total changes of items during period                 | (200)                | 293,199                    | 29,546  | 29,546                                      | 322,746          |
| Balance at end of current period                     | (223,322)            | 4,159,437                  | 227,629   | 227,629                                     | 4,387,066        |

## Non-consolidated Statements of Cash Flows

(Thousand yen)

|  | For the fiscal year<br>ended March 31,2018 | For the fiscal year<br>ended March 31,2019 |
|--|--|--|
| <b>Cash flows from operating activities</b>  |  |  |
| Profit before income taxes   | 106,577                                    | 650,667                                    |
| Depreciation   | 23,015                                     | 22,336                                     |
| Increase (decrease) in provision for bonuses   | 13,985                                     | 165,539                                    |
| Increase (decrease) in provision for loss on project contracts                         | 90,526                                     | (96,536)                                   |
| Increase (decrease) in provision for retirement benefits                               | 49,058                                     | 39,700                                     |
| Interest and dividend income   | (25,256)                                   | (27,309)                                   |
| Loss (gain) on sales of non-current assets   | -  | (12,682)                                   |
| Loss on valuation of golf club memberships   | -  | 5,100                                      |
| Decrease (increase) in notes and accounts receivable - trade                           | (236,539)                                  | (429,912)                                  |
| Decrease (increase) in inventories   | (16,604)                                   | 16,243                                     |
| Increase (decrease) in notes and accounts payable - trade                              | 74,906                                     | (24,163)                                   |
| Loss (gain) on extinguishment of tie-in shares   | 1,341                                      | -  |
| Increase (decrease) in accrued consumption taxes                                       | (4,321)                                    | 49,640                                     |
| Other, net   | 33,967                                     | 71,935                                     |
| Subtotal   | 110,657                                    | 430,558                                    |
| Interest and dividend income received  | 25,843                                     | 27,309                                     |
| Income taxes paid  | (153,595)                                  | (38,240)                                   |
| Income taxes refund  | -  | 7,068                                      |
| Net cash provided by (used in) operating activities                                    | (17,094)                                   | 426,695                                    |
| <b>Cash flows from investing activities</b>  |  |  |
| Proceeds from redemption of securities   | 100,000                                    | -  |
| Collection of short-term loans receivable  | 2,200                                      | 2,400                                      |
| Purchase of property, plant and equipment  | (9,311)                                    | (23,896)                                   |
| Proceeds from sales of property, plant and equipment                                   | -  | 30,296                                     |
| Purchase of intangible assets  | (6,182)                                    | (4,539)                                    |
| Proceeds from maturity of insurance funds  | 13,999                                     | -  |
| Payments for leasehold and guarantee deposits  | (19,942)                                   | (148)                                      |
| Proceeds from collection of leasehold and guarantee deposits                           | 414  | 3,896                                      |
| Net cash provided by (used in) investing activities                                    | 81,177                                     | 8,008                                      |
| <b>Cash flows from financing activities</b>  |  |  |
| Purchase of treasury shares  | (234)                                      | (202)                                      |
| Cash dividends paid  | (155,113)                                  | (155,242)                                  |
| Net cash provided by (used in) financing activities                                    | (155,347)                                  | (155,444)                                  |
| Net increase (decrease) in cash and cash equivalents                                   | (91,265)                                   | 279,259                                    |
| Cash and cash equivalents at beginning of period                                       | 2,046,734                                  | 1,975,051                                  |
| Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries | 19,582                                     | -  |
| Cash and cash equivalents at end of period   | 1,975,051                                  | 2,254,311                                  |