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Summary of Non-consolidated Financial Results for the Third Quarter of the Fiscal Year 2019

January 31, 2020

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
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 Scheduled date of filing of Quarterly Business Report: February 7, 2020
 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 FY2019 (April 1, 2019 – December 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	%
FY2019 Q3	7,526	7.7	577	11.7	601	11.6	417	11.2
FY2018 Q3	6,988	7.5	517	573.9	538	441.7	375	417.8

	Earnings per share		Earnings per share (Diluted)	
	Yen		Yen	
FY2019 Q3	80.65		-	
FY2018 Q3	72.60		-	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
FY2019 Q3	6,087	4,619	75.9	892.30
FY2018	6,240	4,387	70.3	848.86

(Reference) Shareholder's equity: FY2019 Q3: 4,619 Million yen, FY2018: 4,387 Million yen

2. Dividends

	Annual dividends per share				
	Q1	Q2	Q3	Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY2018	-	0.00	-	33.00	33.00
FY2019	-	0.00	-		
FY2019(Forecast)	-			35.00	35.00

(Notes) Changes from the previous forecast of dividends : None

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
Full year	10,200	6.8	689	12.1	721	12.1	495	10.4	95.68

(Notes) Changes from the previous forecast of financial results : None

4. Notes

(1)Application of special accounting method for preparing quarterly non-consolidated financial statements. None

(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: 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

(3)Number of issued shares (Common shares)

Total number of issued shares(including treasury shares)

FY2019 Q3	5,487,768 shares	FY2018	5,487,768 shares
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Number of treasury shares

FY2019 Q3	310,761 shares	FY2018	319,606 shares
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Average number of shares

FY2019 Q3	5,173,587 shares	FY2018 Q3	5,168,320 shares
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* 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.

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

(Thousand yen)

	As of March 31,2019	As of December 31,2019
Assets		
Current assets		
Cash and deposits	2,254,311	2,188,663
Notes and accounts receivable - trade	2,315,535	2,233,669
Work in process	34,021	86,291
Prepaid expenses	91,707	110,762
Income taxes receivable	-	41,749
Other	4,286	6,154
Total current assets	4,699,862	4,667,291
Non-current assets		
Property, plant and equipment		
Buildings, net	21,302	21,936
Vehicles, net	5,231	3,924
Tools, furniture and fixtures, net	24,258	24,720
Land	376	376
Leased assets, net	-	13,600
Total property, plant and equipment	51,169	64,558
Intangible assets		
Software	14,795	17,010
Other	5,643	5,643
Total intangible assets	20,439	22,654
Investments and other assets		
Investment securities	1,024,754	992,451
Shares of subsidiaries and associates	76,399	76,399
Long-term loans receivable	9,600	7,800
Long-term prepaid expenses	48,642	38,220
Deferred tax assets	183,440	92,709
Other	125,938	125,644
Total investments and other assets	1,468,774	1,333,225
Total non-current assets	1,540,383	1,420,438
Total assets	6,240,246	6,087,730

(Thousand yen)

	As of March 31,2019	As of December 31,2019
Liabilities		
Current liabilities		
Accounts payable - trade	301,450	290,693
Lease obligations	-	3,297
Accounts payable - other	140,650	196,022
Accrued expenses	150,243	112,093
Income taxes payable	256,073	10,376
Accrued consumption taxes	121,832	129,307
Advances received	36,725	45,592
Deposits received	64,867	131,718
Provision for bonuses	495,383	239,055
Provision for loss on projects	150	245
Other	-	602
Total current liabilities	1,567,376	1,159,004
Non-current liabilities		
Lease obligations	-	11,760
Provision for retirement benefits	282,528	294,221
Provision for retirement benefits for directors (and other officers)	3,275	3,275
Total non-current liabilities	285,803	309,257
Total liabilities	1,853,180	1,468,261
Net assets		
Shareholders' equity		
Share capital	491,031	491,031
Capital surplus		
Legal capital surplus	492,898	492,898
Other capital surplus	27	1,985
Total capital surpluses	492,926	494,884
Retained earnings		
Legal retained earnings	29,890	29,890
Other retained earnings		
General reserve	830,000	830,000
Retained earnings brought forward	2,538,912	2,785,613
Total retained earnings	3,398,802	3,645,503
Treasury shares	(223,322)	(217,167)
Total shareholders' equity	4,159,437	4,414,251
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	227,629	205,217
Total valuation and translation adjustments	227,629	205,217
Total net assets	4,387,066	4,619,468
Total liabilities and net assets	6,240,246	6,087,730

Quarterly Non-consolidated Statements of Income

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

(Thousand yen)

	For the nine months ended December 31,2018	For the nine months ended December 31,2019
Net sales	6,988,158	7,526,494
Cost of sales	5,863,471	6,266,570
Gross profit	1,124,687	1,259,923
Selling, general and administrative expenses		
Salaries and bonuses	241,935	275,505
Remuneration for directors (and other officers)	51,125	55,399
Provision for bonuses	13,299	17,046
Retirement benefit expenses	8,616	8,066
Depreciation	11,762	12,280
Rent expenses	57,700	64,510
Other	223,146	249,395
Total selling, general and administrative expenses	607,586	682,205
Operating profit	517,100	577,718
Non-operating income		
Interest income	9	11
Dividend income	20,090	23,268
Other	1,291	689
Total non-operating income	21,391	23,969
Non-operating expenses		
Interest expenses	-	534
Commission for purchase of treasury shares	0	0
Other	-	0
Total non-operating expenses	0	535
Ordinary profit	538,491	601,152
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	-
Total extraordinary losses	5,100	-
Profit before income taxes	546,074	601,152
Income taxes - current	102,933	83,280
Income taxes - deferred	67,945	100,621
Total income taxes	170,879	183,902
Profit	375,195	417,250