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Summary of Non-consolidated Financial Results for the First Quarter of the Fiscal Year 2020

July 31, 2020

Company name: Quest Co., Ltd.
 Stock exchanges: TSE JASDAQ(Standard)
 Stock code: 2332 URL <https://www.quest.co.jp/>
 Representative: Representative Director Akio Oka
 President and Chief Executive Officer
 Inquiries: Director, Senior Executive Officer Yutaka Koizumi TEL 03-3453-1181
 Scheduled date of filing of Quarterly Business Report: August 7, 2020
 Preparation of supplementary on quarterly financial results: None
 Holding of quarterly financial results meeting: None

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the Q1 of FY2020 (April 1, 2020 – June 30, 2020)

(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	%
FY2020 Q1	2,551	9.2	146	25.3	156	25.9	109	25.9
FY2019 Q1	2,336	5.2	117	36.0	124	34.0	86	34.5

	Earnings per share		Earnings per share (Diluted)	
	Yen		Yen	
FY2020 Q1	21.16		-	
FY2019 Q1	16.83		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Book value per share	
	Millions of yen		Millions of yen		%		Yen	
FY2020 Q1	6,225		4,639		74.5		896.12	
FY2019	6,323		4,528		71.6		874.75	

(Reference) Shareholder's equity: FY2020 Q1: 4,639 Million yen, FY2019: 4,528 Million yen

2. Dividends

	Annual dividends per share				
	Q1	Q2	Q3	Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY2019	-	0.00	-	35.00	35.00
FY2020	-	-	-	-	-
FY2020(Forecast)	-	0.00	-	35.00	35.00

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

3. Forecast of non-consolidated financial results for the FY2020(April 1, 2020 – March 31, 2021)

(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	5,000	1.2	365	0.6	380	0.6	262	0.1	50.63
Full year	10,521	2.0	742	0.7	772	0.4	533	55.7	103.01

(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)

FY2020 Q1	5,487,768 shares	FY2019	5,487,768 shares
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Number of treasury shares

FY2020 Q1	310,800 shares	FY2019	310,800 shares
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Average number of shares

FY2020 Q1	5,176,968 shares	FY2019 Q1	5,168,159 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 31,2020	As of June 30,2020
Assets		
Current assets		
Cash and deposits	2,693,425	2,593,795
Notes and accounts receivable - trade	2,218,349	1,905,504
Work in process	29,269	104,344
Prepaid expenses	104,643	129,701
Income taxes receivable	-	1,377
Other	5,533	4,531
Total current assets	5,051,221	4,739,255
Non-current assets		
Property, plant and equipment		
Buildings, net	22,257	21,595
Vehicles, net	3,489	3,197
Tools, furniture and fixtures, net	24,108	22,505
Land	376	376
Leased assets, net	12,800	12,000
Total property, plant and equipment	63,031	59,676
Intangible assets		
Software	18,147	16,454
Other	5,643	5,643
Total intangible assets	23,791	22,098
Investments and other assets		
Investment securities	695,766	1,058,551
Shares of subsidiaries and associates	76,399	76,399
Long-term loans receivable	7,200	6,600
Long-term prepaid expenses	46,367	27,715
Deferred tax assets	233,766	106,473
Other	125,521	128,641
Total investments and other assets	1,185,020	1,404,380
Total non-current assets	1,271,843	1,486,156
Total assets	6,323,065	6,225,411

(Thousand yen)

	As of March 31,2020	As of June 30,2020
Liabilities		
Current liabilities		
Accounts payable - trade	309,306	324,078
Lease obligations	3,333	3,369
Accounts payable - other	78,267	164,693
Accrued expenses	162,530	115,964
Income taxes payable	86,198	18,252
Accrued consumption taxes	186,259	149,705
Advances received	35,926	59,575
Deposits received	31,471	180,553
Provision for bonuses	591,749	253,702
Provision for loss on projects	240	432
Other	-	236
Total current liabilities	1,485,283	1,270,565
Non-current liabilities		
Lease obligations	10,913	10,057
Provision for retirement benefits	295,055	302,311
Provision for retirement benefits for directors (and other officers)	3,275	3,275
Total non-current liabilities	309,244	315,643
Total liabilities	1,794,527	1,586,209
Net assets		
Shareholders' equity		
Share capital	491,031	491,031
Capital surplus		
Legal capital surplus	492,898	492,898
Other capital surplus	1,985	1,985
Total capital surpluses	494,884	494,884
Retained earnings		
Legal retained earnings	29,890	29,890
Other retained earnings		
General reserve	830,000	830,000
Retained earnings brought forward	2,710,750	2,639,094
Total retained earnings	3,570,640	3,498,984
Treasury shares	(217,218)	(217,218)
Total shareholders' equity	4,339,336	4,267,680
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	189,200	371,521
Total valuation and translation adjustments	189,200	371,521
Total net assets	4,528,537	4,639,201
Total liabilities and net assets	6,323,065	6,225,411

Quarterly Non-consolidated Statements of Income

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

(Thousand yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Net sales	2,336,946	2,551,583
Cost of sales	1,959,066	2,114,139
Gross profit	377,879	437,444
Selling, general and administrative expenses		
Salaries and bonuses	99,321	104,168
Remuneration for directors (and other officers)	18,292	37,506
Provision for bonuses	21,153	24,538
Retirement benefit expenses	2,900	3,071
Depreciation	4,099	3,488
Rent expenses	23,906	23,896
Other	91,075	94,044
Total selling, general and administrative expenses	260,749	290,716
Operating profit	117,130	146,728
Non-operating income		
Dividend income	7,623	8,993
Other	113	1,348
Total non-operating income	7,736	10,341
Non-operating expenses		
Interest expenses	186	152
Other	0	0
Total non-operating expenses	187	152
Ordinary profit	124,680	156,917
Profit before income taxes	124,680	156,917
Income taxes - current	547	552
Income taxes - deferred	37,143	46,828
Total income taxes	37,690	47,380
Profit	86,989	109,537