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

February 5, 2021

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
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 Scheduled date of filing of Quarterly Business Report: February 5, 2021
 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 Q3 of FY2020 (April 1, 2020 – December 31, 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 Q3	8,145	8.2	685	18.7	713	18.8	495	18.8
FY2019 Q3	7,526	7.7	577	11.7	601	11.6	417	11.2

	Earnings per share		Earnings per share (Diluted)	
	Yen		Yen	
FY2020 Q3	95.68		-	
FY2019 Q3	80.65		-	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
FY2020 Q3	6,647	5,095	76.6	982.77
FY2019	6,323	4,528	71.6	874.75

(Reference) Shareholder's equity: FY2020 Q3: 5,095 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	-	0.00	-	-	-
FY2020(Forecast)	-	-	-	38.00	38.00

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

We revised up FY2020 dividends forecast, from 35.00 yen per share to 38.00 yen per share.

Please refer to "Notice of the forecast of the Financial Results and Dividends for FY2020", issued on January 27, 2021.

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
Full year	11,123	7.8	863	17.1	901	17.2	624	82.2	120.43

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

We revised up the financial results forecast for the FY2020.

Please refer to "Notice of the forecast of the Financial Results and Dividends for FY2020" issued on January 27, 2021.

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 Q3	5,487,768 shares	FY2019	5,487,768 shares
Number of treasury shares			
FY2020 Q3	303,269 shares	FY2019	310,800 shares
Average number of shares			
FY2020 Q3	5,181,586 shares	FY2019 Q3	5,173,587 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.

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

(Thousand yen)

	As of March 31,2020	As of December 31,2020
Assets		
Current assets		
Cash and deposits	2,693,425	2,382,385
Notes and accounts receivable - trade	2,218,349	2,375,962
Money held in trust	-	200,000
Work in process	29,269	120,404
Prepaid expenses	104,643	96,038
Income taxes receivable	-	18,086
Other	5,533	5,383
Total current assets	5,051,221	5,198,261
Non-current assets		
Property, plant and equipment		
Buildings, net	22,257	20,314
Vehicles, net	3,489	2,615
Tools, furniture and fixtures, net	24,108	19,449
Land	376	376
Leased assets, net	12,800	10,400
Total property, plant and equipment	63,031	53,156
Intangible assets		
Software	18,147	13,430
Other	5,643	5,643
Total intangible assets	23,791	19,074
Investments and other assets		
Investment securities	695,766	1,145,110
Shares of subsidiaries and associates	76,399	76,399
Long-term loans receivable	7,200	5,400
Long-term prepaid expenses	46,367	21,752
Deferred tax assets	233,766	-
Other	125,521	128,413
Total investments and other assets	1,185,020	1,377,076
Total non-current assets	1,271,843	1,449,306
Total assets	6,323,065	6,647,567

(Thousand yen)

	As of March 31,2020	As of December 31,2020
Liabilities		
Current liabilities		
Accounts payable - trade	309,306	354,415
Lease obligations	3,333	3,443
Accounts payable - other	78,267	197,578
Accrued expenses	162,530	121,301
Income taxes payable	86,198	19,069
Accrued consumption taxes	186,259	155,296
Advances received	35,926	47,705
Deposits received	31,471	141,707
Provision for bonuses	591,749	257,249
Provision for loss on projects	240	1,904
Other	-	621
Total current liabilities	1,485,283	1,300,292
Non-current liabilities		
Lease obligations	10,913	8,317
Deferred tax liabilities	-	19,386
Provision for retirement benefits	295,055	221,138
Provision for retirement benefits for directors (and other officers)	3,275	3,275
Total non-current liabilities	309,244	252,117
Total liabilities	1,794,527	1,552,409
Net assets		
Shareholders' equity		
Share capital	491,031	491,031
Capital surplus		
Legal capital surplus	492,898	492,898
Other capital surplus	1,985	6,173
Total capital surpluses	494,884	499,072
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	3,025,317
Total retained earnings	3,570,640	3,885,207
Treasury shares	(217,218)	(212,000)
Total shareholders' equity	4,339,336	4,663,311
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	189,200	431,847
Total valuation and translation adjustments	189,200	431,847
Total net assets	4,528,537	5,095,158
Total liabilities and net assets	6,323,065	6,647,567

Quarterly Non-consolidated Statements of Income

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

(Thousand yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Net sales	7,526,494	8,145,206
Cost of sales	6,266,570	6,693,297
Gross profit	1,259,923	1,451,909
Selling, general and administrative expenses		
Salaries and bonuses	275,505	285,355
Remuneration for directors (and other officers)	55,399	122,332
Provision for bonuses	17,046	18,183
Retirement benefit expenses	8,066	8,490
Depreciation	12,280	10,167
Rent expenses	64,510	63,576
Other	249,395	258,029
Total selling, general and administrative expenses	682,205	766,135
Operating profit	577,718	685,773
Non-operating income		
Interest income	11	13
Dividend income	23,268	26,660
Other	689	2,368
Total non-operating income	23,969	29,042
Non-operating expenses		
Interest expenses	534	429
Loss on investments in investment partnerships	-	391
Other	0	0
Total non-operating expenses	535	821
Ordinary profit	601,152	713,994
Profit before income taxes	601,152	713,994
Income taxes - current	83,280	72,169
Income taxes - deferred	100,621	146,063
Total income taxes	183,902	218,233
Profit	417,250	495,761