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## Summary of Non-consolidated Financial Results for the Year Ended March 31, 2021

May 13, 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  
 Inquiries: Director, Senior Executive Officer Yutaka Koizumi TEL +81-3-3453-1181  
 Scheduled date of ordinary general meeting of shareholders: June 23, 2021  
 Scheduled date of filing Securities Report: June 24, 2021  
 Scheduled date of commence dividend payments: June 24, 2021  
 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 FY2020 (April 1, 2020 – March 31, 2021)

(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 | 11,181          | 8.4 | 879              | 19.3 | 917             | 19.3 | 636             | 85.8   |
| FY2019 | 10,314          | 8.0 | 736              | 19.9 | 768             | 19.5 | 342             | △ 23.7 |

|        | Earnings per share | Earnings per share (Diluted) | Return on Equity | Return on Assets | Ratio of operating profit to net sales |
|--------|--------------------|------------------------------|------------------|------------------|--|
|        | Yen                | Yen                          | %                | %                | %                                      |
| FY2020 | 122.77             | -                            | 13.1             | 13.5             | 7.9                                    |
| FY2019 | 66.17              | -                            | 7.7              | 12.2             | 7.1                                    |

(Reference)Equity earnings of affiliated company: FY2020: 2 Million yen, FY2019: 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                  |
| FY2020 | 7,233           | 5,198           | 71.9         | 1,002.66             |
| FY2019 | 6,323           | 4,528           | 71.6         | 874.75               |

(Reference)Shareholder's equity: FY2020: 5,198 Million yen, FY2019: 4,528 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                            |
| FY2020 | 653                                  | △ 108                                | △ 184                                | 3,053                                      |
| FY2019 | 634                                  | △ 22                                 | △ 173                                | 2,693                                      |

### 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 | -   | 40.00 | 40.00 |
| FY2021(Forecast) | -                          | 0.00 | -   | 40.00 | 40.00 |

### 3. Forecast of non-consolidated financial results for the FY2021(April 1, 2021 – March 31, 2022)

(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 | 5,550           | 5.2 | 294              | △ 22.6 | 311             | △ 21.9 | 213             | △ 22.2 | 41.10              |
| Full year  | 11,630          | 4.0 | 700              | △ 20.4 | 735             | △ 19.9 | 503             | △ 20.9 | 97.06              |

#### 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)

|        |                  |        |                  |
|--------|------------------|--------|------------------|
| FY2020 | 5,487,768 shares | FY2019 | 5,487,768 shares |
|--------|------------------|--------|------------------|

Number of treasury shares

|        |                |        |                |
|--------|----------------|--------|----------------|
| FY2020 | 303,388 shares | FY2019 | 310,800 shares |
|--------|----------------|--------|----------------|

Average number of shares

|        |                  |        |                  |
|--------|------------------|--------|------------------|
| FY2020 | 5,182,305 shares | FY2019 | 5,174,437 shares |
|--------|------------------|--------|------------------|

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

##### \* Supplementary on financial results in Japanese

- The financial results meeting for the analysts is scheduled on May 26, 2021. The meeting material will be available on our website immediately after the meeting.

##### \* Forecasts for the Fiscal Year ending March 31, 2022

- In February 2021, the vaccination started in Japan, however, the issues related to the supply of Vaccine and its operation were pointed out. The completion of the vaccination is expected to be substantially delayed from the initial plan, and the number of highly contagious mutant infections is increasing. The novel coronavirus infection is expected to continue for a long time. Under the circumstances, the tough economic conditions may continue and we suppose it is rather hard to estimate the demand of the IT investments of the clients precisely. Specifically, IT investment plans may be suspended, postponed, or scaled down and we will respond to our clients appropriately, strengthening the cooperation with them. Meanwhile, we achieved our long-term goal of 10 billion yen sales in FY2019 (year ended March 2020) and we have established Vision 2030 for sustainable growth and development. "Medium-to long-term Vision 2030" re-defines our corporate philosophy structure as "Purpose, Vision, Values, Quest way" and shows "Financial goals" of 20 billion yen sales, 8% of operating profit against the gross sales and 12% of ROE in FY2030 (year ending March 2031) and "Clarification of developing business area to be strengthened" as well as "Achieving Sustainable growth and Maintaining highly profitable structure". In addition, we create a new story for "QCSV" (Quest Creating Shared Values) and will promote the solutions of Social issues actively. The first year of New Goal, we have planned the largest investments ever in history of Quest, to "Development of new Solutions" and "Growth Areas to be strengthen", in order to achieve the sustainable growth and maintain the high earnings base. Based on this plan, we estimate 11.63 billion yen of sales (increase by 4.0% compared to FY2020), 700 million yen of operating profit (decrease by 20.4% compared to FY2020), 735 million yen of ordinary profit (decrease by 19.9% compared to FY2020) and 503 million yen of net profit (decrease by 20.9% compared to FY2020) for the fiscal year ending March 31, 2022.

##### \* Notes

- The financial forecasts contained in this document are based on the information currently available. Actual results may vary from these forecasts for various reasons. The forecasts are prepared based on the results of FY2020 and the current status of receiving orders from the clients, although the uncertainty from COVID-19 pandemic still remains. Depending on the situation of COVID-19 pandemic, the forecasts may be revised.

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Thousand yen)

|                                       | As of March 31,2020 | As of March 31,2021 |
|---------------------------------------|---------------------|---------------------|
| <b>Assets</b>                         |                     |                     |
| Current assets                        |                     |                     |
| Cash and deposits                     | 2,693,425           | 2,853,917           |
| Notes receivable - trade              | 6,554               | 8,685               |
| Accounts receivable - trade           | 2,211,794           | 2,443,950           |
| Money held in trust                   | -                   | 200,000             |
| Work in process                       | 29,269              | 69,150              |
| Prepaid expenses                      | 104,643             | 69,544              |
| Other                                 | 5,533               | 4,229               |
| Total current assets                  | 5,051,221           | 5,649,477           |
| Non-current assets                    |                     |                     |
| Property, plant and equipment         |                     |                     |
| Buildings, net                        | 22,257              | 19,693              |
| Vehicles, net                         | 3,489               | 2,323               |
| Tools, furniture and fixtures, net    | 24,108              | 19,931              |
| Land                                  | 376                 | 376                 |
| Leased assets, net                    | 12,800              | 9,600               |
| Total property, plant and equipment   | 63,031              | 51,925              |
| Intangible assets                     |                     |                     |
| Software                              | 18,147              | 12,051              |
| Other                                 | 5,643               | 5,643               |
| Total intangible assets               | 23,791              | 17,695              |
| Investments and other assets          |                     |                     |
| Investment securities                 | 695,766             | 1,087,730           |
| Shares of subsidiaries and associates | 76,399              | 76,399              |
| Long-term loans receivable            | 7,200               | 4,800               |
| Long-term prepaid expenses            | 46,367              | 19,318              |
| Prepaid pension costs                 | -                   | 67,992              |
| Deferred tax assets                   | 233,766             | 130,037             |
| Other                                 | 125,521             | 128,340             |
| Total investments and other assets    | 1,185,020           | 1,514,618           |
| Total non-current assets              | 1,271,843           | 1,584,239           |
| <b>Total assets</b>                   | <b>6,323,065</b>    | <b>7,233,717</b>    |

(Thousand yen)

|  | As of March 31,2020 | As of March 31,2021 |
|--|---------------------|---------------------|
| <b>Liabilities</b>   |                     |                     |
| Current liabilities  |                     |                     |
| Accounts payable - trade   | 309,306             | 366,371             |
| Lease obligations  | 3,333               | 3,480               |
| Accounts payable - other   | 78,267              | 113,496             |
| Accrued expenses   | 162,530             | 182,102             |
| Income taxes payable   | 86,198              | 212,346             |
| Accrued consumption taxes  | 186,259             | 196,126             |
| Advances received  | 35,926              | 39,669              |
| Deposits received  | 31,471              | 28,402              |
| Provision for bonuses  | 591,749             | 635,578             |
| Provision for loss on projects                                       | 240                 | 575                 |
| Other  | -                   | 742                 |
| Total current liabilities  | 1,485,283           | 1,778,892           |
| Non-current liabilities  |                     |                     |
| Lease obligations  | 10,913              | 7,432               |
| Provision for retirement benefits                                    | 295,055             | 245,931             |
| Provision for retirement benefits for directors (and other officers) | 3,275               | 3,275               |
| Total non-current liabilities  | 309,244             | 256,639             |
| Total liabilities  | 1,794,527           | 2,035,531           |
| <b>Net assets</b>  |                     |                     |
| 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 surplus  | 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           | 3,165,785           |
| Total retained earnings  | 3,570,640           | 4,025,675           |
| Treasury shares  | (217,218)           | (212,170)           |
| Total shareholders' equity   | 4,339,336           | 4,803,609           |
| Valuation and translation adjustments                                |                     |                     |
| Valuation difference on available-for-sale securities                | 189,200             | 394,576             |
| Total valuation and translation adjustments                          | 189,200             | 394,576             |
| Total net assets   | 4,528,537           | 5,198,185           |
| Total liabilities and net assets                                     | 6,323,065           | 7,233,717           |

Non-consolidated Statements of Income

(Thousand yen)

|  | For the fiscal year<br>ended March 31,2020 | For the fiscal year<br>ended March 31,2021 |
|--|--|--|
| Net sales  | 10,314,527                                 | 11,181,261                                 |
| Cost of sales                                      | 8,670,369                                  | 9,248,385                                  |
| Gross profit                                       | 1,644,157                                  | 1,932,876                                  |
| Selling, general and administrative expenses       |  |  |
| Salaries and bonuses                               | 340,786                                    | 353,051                                    |
| Remuneration for directors (and other officers)    | 73,967                                     | 164,769                                    |
| Provision for bonuses                              | 41,324                                     | 45,311                                     |
| Retirement benefit expenses                        | 10,651                                     | 11,187                                     |
| Depreciation                                       | 16,489                                     | 13,368                                     |
| Rent expenses                                      | 85,874                                     | 86,141                                     |
| Other  | 338,305                                    | 379,816                                    |
| Total selling, general and administrative expenses | 907,398                                    | 1,053,646                                  |
| Operating profit                                   | 736,758                                    | 879,229                                    |
| Non-operating income                               |  |  |
| Interest income                                    | 22   | 26   |
| Dividend income                                    | 31,668                                     | 36,783                                     |
| Subsidy income                                     | -  | 3,918                                      |
| Other  | 802  | 1,857                                      |
| Total non-operating income                         | 32,493                                     | 42,586                                     |
| Non-operating expenses                             |  |  |
| Interest expenses                                  | 695  | 554  |
| Loss on investments in investment partnerships     | -  | 4,051                                      |
| Other  | 1  | 3  |
| Total non-operating expenses                       | 696  | 4,608                                      |
| Ordinary profit                                    | 768,555                                    | 917,207                                    |
| Extraordinary losses                               |  |  |
| Loss on valuation of investment securities         | 273,600                                    | -  |
| Total extraordinary losses                         | 273,600                                    | -  |
| Profit before income taxes                         | 494,955                                    | 917,207                                    |
| Income taxes - current                             | 185,934                                    | 267,889                                    |
| Income taxes - deferred                            | (33,365)                                   | 13,088                                     |
| Total income taxes                                 | 152,568                                    | 280,978                                    |
| Profit   | 342,386                                    | 636,229                                    |

Non-consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31,2020

(Thousand yen)

|  | Shareholders' equity |                       |                       |                       |                         |                   |                                   |                         |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------|-----------------------------------|-------------------------|
|  | Share capital        | 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 period                       | 491,031              | 492,898               | 27                    | 492,926               | 29,890                  | 830,000           | 2,538,912                         | 3,398,802               |
| Changes during period                                |                      |                       |                       |                       |                         |                   |                                   |                         |
| Dividends of surplus                                 |                      |                       |                       |                       |                         |                   | (170,549)                         | (170,549)               |
| Profit   |                      |                       |                       |                       |                         |                   | 342,386                           | 342,386                 |
| Purchase of treasury shares                          |                      |                       |                       |                       |                         |                   |                                   |                         |
| Disposal of treasury shares                          |                      |                       | 1,957                 | 1,957                 |                         |                   |                                   |                         |
| Net changes in items other than shareholders' equity |                      |                       |                       |                       |                         |                   |                                   |                         |
| Total changes during period                          | -                    | -                     | 1,957                 | 1,957                 | -                       | -                 | 171,837                           | 171,837                 |
| Balance at end of period                             | 491,031              | 492,898               | 1,985                 | 494,884               | 29,890                  | 830,000           | 2,710,750                         | 3,570,640               |

|  | 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 period                       | (223,322)            | 4,159,437                  | 227,629   | 227,629                                     | 4,387,066        |
| Changes during period                                |                      |                            |   |   |                  |
| Dividends of surplus                                 |                      | (170,549)                  |   |   | (170,549)        |
| Profit   |                      | 342,386                    |   |   | 342,386          |
| Purchase of treasury shares                          | (133)                | (133)                      |   |   | (133)            |
| Disposal of treasury shares                          | 6,237                | 8,195                      |   |   | 8,195            |
| Net changes in items other than shareholders' equity |                      |                            | (38,428)  | (38,428)                                    | (38,428)         |
| Total changes during period                          | 6,103                | 179,899                    | (38,428)  | (38,428)                                    | 141,470          |
| Balance at end of period                             | (217,218)            | 4,339,336                  | 189,200   | 189,200                                     | 4,528,537        |

For the fiscal year ended March 31,2021

(Thousand yen)

|  | Shareholders' equity |                       |                       |                       |                         |                   |                                   |                         |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------|-----------------------------------|-------------------------|
|  | Share capital        | 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 period                       | 491,031              | 492,898               | 1,985                 | 494,884               | 29,890                  | 830,000           | 2,710,750                         | 3,570,640               |
| Changes during period                                |                      |                       |                       |                       |                         |                   |                                   |                         |
| Dividends of surplus                                 |                      |                       |                       |                       |                         |                   | (181,193)                         | (181,193)               |
| Profit   |                      |                       |                       |                       |                         |                   | 636,229                           | 636,229                 |
| Purchase of treasury shares                          |                      |                       |                       |                       |                         |                   |                                   |                         |
| Disposal of treasury shares                          |                      |                       | 4,188                 | 4,188                 |                         |                   |                                   |                         |
| Net changes in items other than shareholders' equity |                      |                       |                       |                       |                         |                   |                                   |                         |
| Total changes during period                          | -                    | -                     | 4,188                 | 4,188                 | -                       | -                 | 455,035                           | 455,035                 |
| Balance at end of period                             | 491,031              | 492,898               | 6,173                 | 499,072               | 29,890                  | 830,000           | 3,165,785                         | 4,025,675               |

|  | 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 period                       | (217,218)            | 4,339,336                  | 189,200   | 189,200                                     | 4,528,537        |
| Changes during period                                |                      |                            |   |   |                  |
| Dividends of surplus                                 |                      | (181,193)                  |   |   | (181,193)        |
| Profit   |                      | 636,229                    |   |   | 636,229          |
| Purchase of treasury shares                          | (262)                | (262)                      |   |   | (262)            |
| Disposal of treasury shares                          | 5,311                | 9,500                      |   |   | 9,500            |
| Net changes in items other than shareholders' equity |                      |                            | 205,375   | 205,375                                     | 205,375          |
| Total changes during period                          | 5,048                | 464,272                    | 205,375   | 205,375                                     | 669,647          |
| Balance at end of period                             | (212,170)            | 4,803,609                  | 394,576   | 394,576                                     | 5,198,185        |

## Non-consolidated Statements of Cash Flows

(Thousand yen)

|  | For the fiscal year<br>ended March 31,2020 | For the fiscal year<br>ended March 31,2021 |
|--|--|--|
| <b>Cash flows from operating activities</b>                    |  |  |
| Profit before income taxes                                     | 494,955                                    | 917,207                                    |
| Depreciation   | 25,489                                     | 22,933                                     |
| Increase (decrease) in provision for bonuses                   | 96,366                                     | 43,829                                     |
| Increase (decrease) in provision for loss on project contracts | 89   | 335  |
| Increase (decrease) in provision for retirement benefits       | 12,527                                     | (49,123)                                   |
| Decrease (increase) in prepaid pension costs                   | -  | (67,992)                                   |
| Share-based payment expenses                                   | 6,111                                      | 9,162                                      |
| Interest and dividend income                                   | (31,690)                                   | (36,810)                                   |
| Interest expenses  | 695  | 554  |
| Loss (gain) on valuation of securities                         | 273,600                                    | -  |
| Loss (gain) on investments in investment partnerships          | -  | 4,051                                      |
| Decrease (increase) in trade receivables                       | 97,185                                     | (234,286)                                  |
| Decrease (increase) in inventories                             | 4,752                                      | (39,880)                                   |
| Decrease (increase) in prepaid expenses                        | (10,898)                                   | 62,789                                     |
| Increase (decrease) in trade payables                          | 7,855                                      | 57,065                                     |
| Increase (decrease) in accounts payable - other                | (62,196)                                   | 37,017                                     |
| Increase (decrease) in advances received                       | (798)                                      | 3,742                                      |
| Increase (decrease) in deposits received                       | (33,396)                                   | (3,069)                                    |
| Increase (decrease) in accrued expenses                        | 12,287                                     | 19,571                                     |
| Increase (decrease) in accrued consumption taxes               | 65,867                                     | 9,867                                      |
| Other, net   | (4,930)                                    | 8,579                                      |
| Subtotal   | 953,871                                    | 765,542                                    |
| Interest and dividends received                                | 31,690                                     | 36,810                                     |
| Interest paid  | (695)                                      | (554)                                      |
| Income taxes paid  | (350,023)                                  | (148,686)                                  |
| Net cash provided by (used in) operating activities            | 634,843                                    | 653,111                                    |
| <b>Cash flows from investing activities</b>                    |  |  |
| Purchase of property, plant and equipment                      | (13,628)                                   | (7,276)                                    |
| Purchase of intangible assets                                  | (10,821)                                   | -  |
| Purchase of investment securities                              | -  | (100,000)                                  |
| Proceeds from collection of short-term loans receivable        | 2,400                                      | 2,400                                      |
| Payments of leasehold and guarantee deposits                   | (167)                                      | (3,303)                                    |
| Proceeds from refund of leasehold and guarantee deposits       | 130  | 30   |
| Net cash provided by (used in) investing activities            | (22,086)                                   | (108,149)                                  |
| <b>Cash flows from financing activities</b>                    |  |  |
| Repayments of lease obligations                                | (3,192)                                    | (3,333)                                    |
| Purchase of treasury shares                                    | (135)                                      | (265)                                      |
| Proceeds from disposal of treasury shares                      | 47   | -  |
| Dividends paid   | (170,361)                                  | (180,871)                                  |
| Net cash provided by (used in) financing activities            | (173,642)                                  | (184,469)                                  |
| Net increase (decrease) in cash and cash equivalents           | 439,114                                    | 360,491                                    |
| Cash and cash equivalents at beginning of period               | 2,254,311                                  | 2,693,425                                  |
| Cash and cash equivalents at end of period                     | 2,693,425                                  | 3,053,917                                  |