

News Release



February 10, 2009

To Whom It May Concern:

Quest Co., Ltd.
(JASDAQ/2332)

Notice Regarding Transfer of Subsidiaries

At a special board meeting held on February 10, 2009, Quest Co., Ltd. made the decision to transfer its three subsidiaries Optis Corporation, a consolidated subsidiary of Quest, and Optis Information Services India Pvt. Ltd. and Navis Nihongo Training Centre Pvt. Ltd., which are subsidiaries of Optis Corporation with Quest as a parent company (hereinafter the "three companies") to the management of Optis Corporation through a management buyout with the aim of increasing business efficiency and concentrating management resources. Quest also concluded a stock transfer agreement on the same day with Rajkumar Sambandam, CEO of Optis Corporation. The three companies, accordingly, will be excluded from the scope of Quest's consolidation as of March 31, 2009.

1. Reason for transferring the subsidiaries

Entering this term, Quest has carried out a review of the business of its group companies. The three companies, our consolidated subsidiaries, have worked towards securing high-quality engineers and realizing low-cost management since their establishment as well as improving mutual understanding between local engineers and Japanese staff with the setting up of a Japanese language school for Indian engineers.

Quest saw the three companies as offshore resources to resolve the shortage of IT engineers in Japan and to pursue low-cost software development. However, in addition to the recent decrease in business to offshore sites, Quest foresaw a further restraint in IT investments in the next and following years due to the business downturn of our major clients. Taking these circumstances into consideration, and in order to promptly respond to such issues, Quest conducted deliberations with the assumption of withdrawing from the offshore business and closing the subsidiaries in question. While carrying out the examinations, the executive officer of Optis Corporation, Rajkumar Sambandam, made a proposal to acquire these subsidiaries and Quest came to the conclusion that it is best to remove the three companies from its subsidiarization by transferring them to Mr. Sambandam.

Furthermore, Quest reached the resolution based on the decision that it is optimal to conduct business succession through a management buyout by Rajkumar Sambandam, the current CEO of the three companies, who has thorough knowledge of business practices and lifestyle in India, for these companies to set out a new growth strategy as self-funding enterprises in the future. The business succession will be conducted by Rajkumar Sambandam taking over all shares of Optis Corporation owned by Quest, which totaled 14,471 shares (99.12% of 14,600 outstanding shares).

Quest will continue the business relationship with Optis Corporation as an offshore development contractor.

2. Overview of subsidiaries to be transferred

- (1) Company name: Optis Corporation
- (2) Representative: Rajkumar Sambandam
- (3) Location: 1-12-3 Shibaura, Minato-ku, Tokyo, Japan
- (4) Establishment: October 19, 2001
- (5) Main activities: Software development
IT engineer staffing
- (6) Accounting term: March 31
- (7) Employees: 4
- (8) Capital: 40,000,000 yen (A special resolution was passed at an extraordinary meeting of shareholders held on January 28, 2009 to reduce capital to 30,000,000 yen. It will be effective as of February 28, 2009)
- (9) Total number of shares issued: 14,600 shares
- (10) Shareholder composition: Optis Corporation 99.12%
- (11) Business performance in recent fiscal years:

| | Unit: 1,000 yen | |
|----------------------|----------------------|----------------------|
| | Year ending Mar 2007 | Year ending Mar 2008 |
| Net sales | 162,043 | 180,633 |
| Gross profit | 40,742 | 34,325 |
| Operating income | 2,417 | 5,407 |
| Ordinary income | 2,889 | 5,432 |
| Profit of the term | 2,599 | 5,142 |
| Total assets | 50,085 | 52,811 |
| Shareholders' equity | 41,376 | 46,519 |

- (1) Company name: Optis Information Services India Pvt. Ltd.
(2) Representative: Rajkumar Sambandam
(3) Location: Karnataka, India
(4) Establishment: November 2004
(5) Main activities: Software development
(6) Accounting term: March 31
(7) Employees: 38
(8) Capital: 16,678,000 rupees (31,688,000 yen based on the exchange rate at the end of December 2008)
(9) Total number of shares issued: 1,667,863 shares
(10) Shareholder composition: Optis Corporation 99.40% (under indirect ownership of Quest)
(11) Business performance in recent fiscal years:

| | Unit: 1,000 yen | |
|----------------------|----------------------|----------------------|
| | Year ending Mar 2007 | Year ending Mar 2008 |
| Net sales | 97,654 | 135,981 |
| Gross profit | 25,508 | 67,264 |
| Operating income | 5,149 | 17,315 |
| Ordinary income | 5,149 | 16,269 |
| Profit of the term | 5,149 | 5,958 |
| Total assets | 25,141 | 40,177 |
| Shareholders' equity | 23,384 | 26,449 |

- (1) Company name: Navis Nihongo Training Centre Pvt. Ltd.
(2) Representative: Rajkumar Sambandam
(3) Location: Karnataka, India
(4) Establishment: June 2005
(5) Main activities: Japanese language training institution
(6) Accounting term: March 31
(7) Employees: 14
(8) Capital: 983,000 rupees (1,867,000 yen based on the exchange rate at the end of December 2008)
(9) Total number of shares issued: 98,308 shares
(10) Shareholder composition: Optis Corporation 99.99% (under indirect ownership of Quest)

(11) Business performance in recent fiscal years:

| | Unit: 1,000 yen | |
|----------------------|----------------------|----------------------|
| | Year ending Mar 2007 | Year ending Mar 2008 |
| Net sales | 17,183 | 25,920 |
| Gross profit | 8,250 | 11,034 |
| Operating income | 1,005 | 29 |
| Ordinary income | 1,005 | △9 |
| Profit of the term | 1,005 | △275 |
| Total assets | 8,192 | 10,625 |
| Shareholders' equity | △1,527 | 1,075 |

3. The party acquiring shares

Name: Rajkumar Sambandam

Relationship with Quest: CEO of Optis Corporation, Optis Information Services India Pvt. Ltd. and Navis Nihongo Training Centre Pvt. Ltd.

4. Schedule

February 10, 2009 **Determined by special board meeting**

March 31, 2009 **Share transfer date**

5. Future outlook

The effect on the consolidated business performance of Quest Co., Ltd. due to this transfer is minimal.

[Quest Company Overview]

Company name: Quest Co., Ltd. (JASDAQ/2332)

<http://www.quest.co.jp>

Location: Da Vinci Shibaura, 1-12-3 Shibaura, Minato-ku, Tokyo, Japan

President and Representative Director: Kazuro Sato

Business activities: Enterprise information services

System development/operation

<Inquiries>

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