

Fast Accounting (5588)

Fiscal Year (Parent) (Million Yen)		Sales	Operating Profit	Recurring Profit	Net Profit	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY12/2023		1,232	126	117	125	12.89	0.78	83.41
FY12/2024		1,707	181	183	465	43.26	1.20	127.82
FY12/2025CoE		2,362	237	237	162	14.94	3.00	-
FY12/2024	YoY	38.5%	43.8%	56.4%	270.1%	-	-	-
FY12/2025CoE	YoY	38.4%	30.6%	29.3%	(65.1%)	-	-	-

Source: Company Data, WRJ Calculation (per share data: retroactively adjusted for one-for-two share split on 1 May 2024)

1.0 Results Update (21 February 2025)

Accounting Singularity

On 14 February 2025, Fast Accounting, which advocates business reform through accounting-specific AI, released its FY12/2024 results. It has been revealed that Company forecasts were exceeded, while expanding into the operations in the United States in February 2025, followed by an increasing contribution from the realization of accounting singularity. In the United States, the person in charge, assigned by the Company, has extensive knowledge and experience of Enterprise SaaS in the local area, while the Company is to start with a lean team and no advertising, executing local investments within scope of being able to secure operating profit margin of 10% for the Company. Meanwhile, for FY12/2026 and thereafter, the Company expects services related to accounting singularity to accelerate its growth potential. The Company has succeeded in developing AI to make decisions requiring accounting expertise, surpassing human capabilities as a result of its long-term dedication to AI development in the accounting domain. The Company is now entering a phase of providing the outcome as services. For FY12/2025, the Company has set a commitment to shareholders to achieve sales of ¥2,362m (up 38.4% YoY) and operating profit margin of 10.1% (down 0.5% points), which are assumptions of Company forecasts. Further, the Company has set a stretch goal of achieving sales of ¥10,000m and operating profit margin of 10% by FY12/2028. On top of ongoing growth in existing accounts payable automation services, the Company expects the above-mentioned overseas operations and services related to accounting singularity to kick in, followed by sustainable growth.

● [Q4 and Full Year FY2024 Financial Performance](#)

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2.0 Company Profile

Empowering Confidence and Courage by Removing Constraints

Company Name	Fast Accounting Co., Ltd. Company HP IR Information (Japanese) Share Price (Japanese)	
Established	3 June 2016	
Listing	22 September 2023: Tokyo Stock Exchange Growth Market (ticker: 5588)	
Capital	¥380m (as of the end of December 2024)	
No. of Shares	10,870,840 shares, including 106 treasury shares (as of the end of December 2024)	
Main Features	<ul style="list-style-type: none">● Automation of accounting work with AI technology to achieve greater efficiency● Development of services, using character recognition technology centered around computer vision● Developing generative AI and entering markets overseas	
Representative	Director and CEO: Keitaro Mori	
Shareholders	Keitaro Mori 23.96%, MoriSpaceManagement 22.24%, Custody Bank of Japan, T. 7.43%, Master Trust Bank of Japan, T. 5.06%, Mynavi 4.63% (as of the end of June 2024, but for treasury shares)	
Head Office	Minato-ku, Tokyo, JAPAN	
No. of Employees	Parent: 114 (as of the end of December 2024, including temporary employees)	

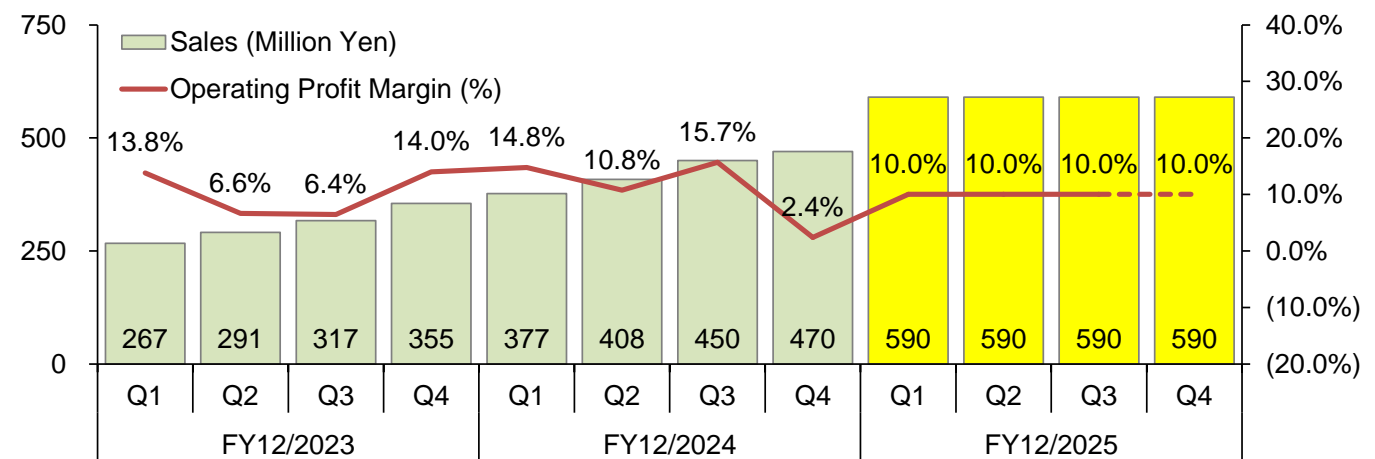
Source: Company Data

3.0 Recent Trading and Prospects

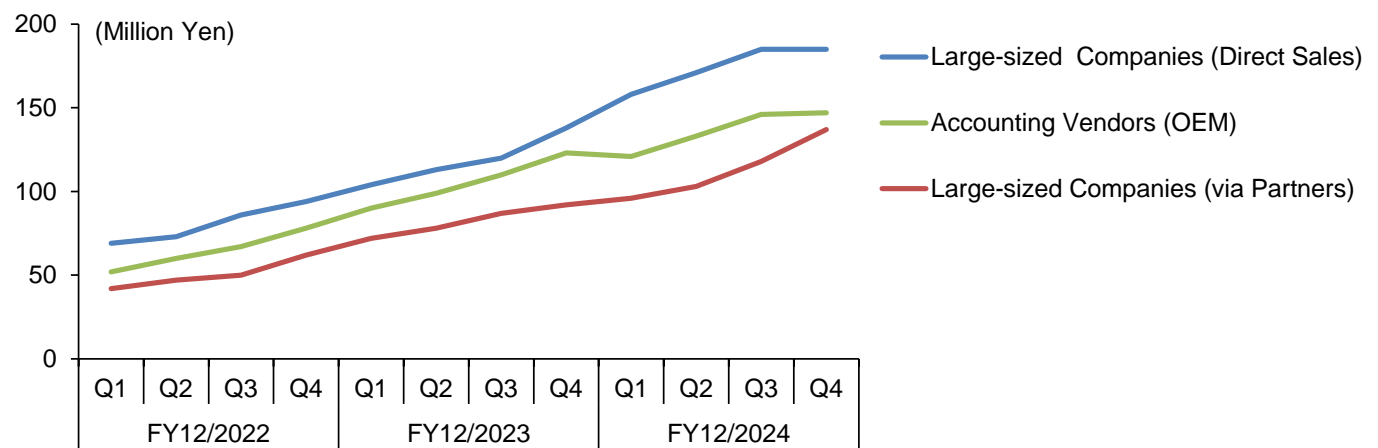
FY12/2024

For FY12/2024, sales came in at ¥1,707m (up 38.5% YoY), operating profit ¥181m (up 43.8%), recurring profit ¥183m (up 56.4%) and net profit ¥465m (up 270.1%). Meanwhile, gross profit came in at ¥1,200m (up 56.0%) and SG&A expenses ¥1,018m (up 58.4%), implying gross profit margin of 70.3% (up 7.9% points) and SG&A ratio of 59.7% (up 7.5% points), having resulted in operating profit margin of 10.6% (up 0.4% points). The Company saw a significant increase in net profit due to the impact of tax effect accounting, while going for the tax burden to approximate the statutory effective tax rate for FY12/2025.

Sales and Operating Profit Margin



Sales



Source: Company Data, WRJ Calculation (quarters for FY12/2025: full-year Company forecasts, pro rata)

The Company provides services specializing in AI for accounting on a subscription basis, i.e., a provider of SaaS, leverages diverse AI expertise to automate accounting work, achieving a significant differentiation in the competitive environment with general-purpose OCR (Optical Character Recognition/Reader). Meanwhile, the Company suggests that it is ranked first in the domestic market for the accounting AI platform sector (source: MM Research Institute).

Sales for Q4 (October to December) comprised those of Large-sized Companies (Direct Sales) equating to 39.4% of total, Accounting Vendors (OEM) 31.2% and Large-sized Companies (via Partners) 29.3% by sales channel, while sales of each have shown an ever-increasing trend. Meanwhile, the Company saw ARR (Annual Recurring Revenue) for the period in question expanded up to some ¥1,800m, implying a high growth rate of some 35%. Furthermore, the monthly churn rate (gross churn rate) for the period in question was no more than 0.66%, implying a rather limited level.

Being a “pure play” of SaaS, the Company suggests that it has seen an extremely high exposure of some 94% in sales for Q4 (October to December), with respect to usage-based revenue and those of corresponding to ARR, collectively. Sales for the period in question comprised those of corresponding to ARR equating to 80.0% of total, usage-based revenue (fees to be collected in line with processing volume) 13.8% and other (fees to be collected for initial setup, consulting, etc.) 6.2%.

The reason for the significant improvement in gross profit margin for FY12/2024 is that the cost reduction activities based on the concept of Amoeba Management (managing an organization by dividing it into small groups) practiced by each engineer have been successful. According to the Company, this is a great achievement that are not seen in any other sector peer companies. Meanwhile, the Company has enhanced its marketing activities as strategic investments for Q4 (October to December). Even so, advertising expenses accounted for no more than some 4% of sales, suggesting that the Company is adopting sales expansion measures that do not rely on advertising.

FY12/2024 Company Forecasts and Actual Results

Fiscal Year (Parent) (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Net Profit
FY12/2024CoE	13-Feb-24	Q4 Results	1,653	167	167	438
FY12/2024CoE	15-May-24	Q1 Results	1,653	167	167	438
FY12/2024CoE	14-Aug-24	Q2 Results	1,653	167	167	438
FY12/2024CoE	14-Nov-24	Q3 Results	1,653	167	167	438
FY12/2024Act	14-Feb-25	Q4 Results	1,707	181	183	465
		Amount of Gap	54	14	16	27
		Rate of Gap	3.3%	8.4%	9.6%	6.2%
FY12/2024CoE	13-Feb-24	Q4 Results	1,653	167	167	438
FY12/2024Act	14-Feb-25	Q4 Results	1,707	181	183	465
		Amount of Gap	54	14	16	27
		Rate of Gap	3.3%	8.4%	9.6%	6.2%

Source: Company Data, WRJ Calculation

FY12/2025 Company Forecasts

FY12/2025 Company forecasts, announced on 14 February 2025, are going for prospective sales of ¥2,362m (up 38.4% YoY), operating profit of ¥237m (up 30.6%), recurring profit of ¥237m (up 29.3%) and net profit of ¥162m (down 65.1%), while operating profit margin of 10.1% (down 0.5% points). At the same time, Company forecasts are going for planned annual dividend of ¥3.00 per share for FY12/2025, implying payout ratio of 20.1%.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Net Chg.	
	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024		
Sales	267	559	877	1,232	377	785	1,236	1,707		+474
Cost of Sales	90	205	335	462	114	239	368	506		+43
Gross Profit	177	353	542	769	262	546	868	1,200		+430
SG&A Expenses	140	297	465	643	206	447	698	1,018		+375
Operating Profit	36	56	76	126	55	99	170	181		+55
Non Operating Balance	(0)	(2)	(8)	(9)	1	1	1	1		+10
Recurring Profit	36	54	68	117	57	101	172	183		+66
Extraordinary Balance	-	-	-	-	-	-	-	-		-
Profit before Income Taxes	36	54	68	117	57	101	172	183		+66
Total Income Taxes	(0)	0	0	(8)	9	16	27	(281)		(273)
Net Profit	36	54	67	125	48	85	144	465		+339
Sales YoY	+62.6%	+61.5%	+59.4%	+56.9%	+41.0%	+40.5%	+41.0%	+38.5%		-
Operating Profit YoY	-	-	-	-	+50.8%	+77.0%	+121.9%	+43.8%		-
Recurring Profit YoY	-	-	-	-	+55.9%	+87.0%	+153.3%	+56.4%		-
Net Profit YoY	-	-	-	-	+31.2%	+57.6%	+113.7%	+270.1%		-
Gross Profit Margin	66.3%	63.2%	61.8%	62.5%	69.6%	69.6%	70.2%	70.3%		+7.9%
SG&A Ratio	52.5%	53.2%	53.0%	52.2%	54.8%	56.9%	56.4%	59.7%		+7.5%
Operating Profit Margin	13.8%	10.1%	8.8%	10.3%	14.8%	12.7%	13.8%	10.6%		+0.4%
Recurring Profit Margin	13.8%	9.7%	7.8%	9.5%	15.3%	12.9%	13.9%	10.8%		+1.2%
Net Profit Margin	13.7%	9.7%	7.7%	10.2%	12.8%	10.8%	11.7%	27.3%		+17.1%
Total Income Taxes / Profit before Income Taxes	-	0.5%	0.6%	-	16.1%	16.2%	16.1%	-		-
Income Statement	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Net Chg.	
	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024		
Sales	267	291	317	355	377	408	450	470		+115
Cost of Sales	90	115	129	127	114	124	129	138		+11
Gross Profit	177	176	188	227	262	284	321	331		+104
SG&A Expenses	140	156	167	177	206	240	250	320		+142
Operating Profit	36	19	20	49	55	43	70	11		(38)
Non Operating Balance	(0)	(2)	(6)	(0)	1	(0)	0	(0)		+0
Recurring Profit	36	17	13	49	57	43	70	11		(38)
Extraordinary Balance	-	-	-	-	-	-	-	-		-
Profit before Income Taxes	36	17	13	49	57	43	70	11		(38)
Total Income Taxes	(0)	0	0	(8)	9	7	11	(309)		(300)
Net Profit	36	17	13	58	48	36	59	320		+262
Sales YoY	+62.6%	+60.5%	+55.7%	+51.1%	+41.0%	+40.1%	+41.8%	+32.5%		-
Operating Profit YoY	-	-	-	-	+50.8%	+127.1%	+245.1%	(77.2%)		-
Recurring Profit YoY	-	-	-	-	+55.9%	+153.3%	+414.8%	(77.1%)		-
Net Profit YoY	-	-	-	-	+31.2%	+113.9%	+336.2%	+452.2%		-
Gross Profit Margin	66.3%	60.4%	59.2%	64.1%	69.6%	69.6%	71.4%	70.6%		+6.5%
SG&A Ratio	52.5%	53.8%	52.8%	50.1%	54.8%	58.8%	55.7%	68.1%		+18.0%
Operating Profit Margin	13.8%	6.6%	6.4%	14.0%	14.8%	10.8%	15.7%	2.4%		(11.6%)
Recurring Profit Margin	13.8%	5.9%	4.3%	13.9%	15.3%	10.7%	15.7%	2.4%		(11.5%)
Net Profit Margin	13.7%	5.9%	4.3%	16.4%	12.8%	9.0%	13.2%	68.2%		+51.8%
Total Income Taxes / Profit before Income Taxes	-	2.3%	1.0%	-	16.1%	16.2%	16.1%	-		-

Source: Company Data, WRJ Calculation

Sales by Sales Channel (Cumulative/Quarterly)

Sales by Sales Channel	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Net Chg.	
(Million Yen)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024	12/2024	Net Chg.
Large-sized Companies (Direct Sales)	104	218	339	477	158	330	515	701		+223
Large-sized Companies (via Partners)	72	151	238	331	96	200	318	456		+125
Accounting Vendors (OEM)	90	189	299	423	121	255	402	549		+125
Sales	267	559	877	1,232	377	785	1,236	1,707		+474
Large-sized Companies (Direct Sales)	+49.5%	+51.9%	+47.2%	+47.0%	+51.6%	+51.1%	+52.1%	+46.8%		-
Large-sized Companies (via Partners)	+72.6%	+69.1%	+70.6%	+63.7%	+33.0%	+32.3%	+33.6%	+37.9%		-
Accounting Vendors (OEM)	+72.0%	+67.8%	+66.2%	+63.9%	+35.1%	+34.8%	+34.2%	+29.6%		-
Sales (YoY)	+62.6%	+61.5%	+59.4%	+56.9%	+41.0%	+40.5%	+41.0%	+38.5%		-
Large-sized Companies (Direct Sales)	39.1%	39.1%	38.7%	38.8%	42.0%	42.0%	41.7%	41.1%		-
Large-sized Companies (via Partners)	27.2%	27.0%	27.2%	26.9%	25.7%	25.5%	25.8%	26.7%		-
Accounting Vendors (OEM)	33.7%	33.9%	34.2%	34.4%	32.3%	32.5%	32.5%	32.2%		-
Sales (composition ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-

Sales by Sales Channel	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Net Chg.	
(Million Yen)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024	12/2024	Net Chg.
Large-sized Companies (Direct Sales)	104	113	120	138	158	171	185	185		+46
Large-sized Companies (via Partners)	72	78	87	92	96	103	118	137		+45
Accounting Vendors (OEM)	90	99	110	123	121	133	146	147		+23
Sales	267	291	317	355	377	408	450	470		+115
Large-sized Companies (Direct Sales)	+49.5%	+54.1%	+39.5%	+46.6%	+51.6%	+50.6%	+54.0%	+33.9%		-
Large-sized Companies (via Partners)	+72.6%	+65.9%	+73.3%	+48.4%	+33.0%	+31.7%	+35.6%	+49.0%		-
Accounting Vendors (OEM)	+72.0%	+64.2%	+63.4%	+58.8%	+35.1%	+34.5%	+33.2%	+18.7%		-
Sales (YoY)	+62.6%	+60.5%	+55.7%	+51.1%	+41.0%	+40.1%	+41.8%	+32.5%		-
Large-sized Companies (Direct Sales)	39.1%	39.0%	37.9%	39.0%	42.0%	42.0%	41.2%	39.4%		-
Large-sized Companies (via Partners)	27.2%	26.9%	27.4%	26.1%	25.7%	25.3%	26.3%	29.3%		-
Accounting Vendors (OEM)	33.7%	34.1%	34.6%	34.9%	32.3%	32.8%	32.5%	31.2%		-
Sales (composition ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Net Chg.	
(Million Yen)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024	12/2024	Net Chg.
Operating Cash Flow	-	143	-	292	-	236	-	530		+237
Investing Cash Flow	-	(35)	-	(163)	-	(205)	-	(246)		(83)
Operating Cash Flow and Investing Cash Flow	-	108	-	130	-	32	-	284		+154
Financing Cash Flow	-	(8)	-	568	-	(2)	-	16		(553)

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	Par.Act	YoY Net Chg.
	Q1 12/2023	Q2 12/2023	Q3 12/2023	Q4 12/2023	Q1 12/2024	Q2 12/2024	Q3 12/2024	Q4 12/2024		
Cash and Deposit	-	-	1,263	1,302	1,381	1,333	1,376	1,603	+300	
Accounts Receivables	-	-	50	33	38	28	41	25	(7)	
Other	-	-	20	43	67	29	52	90	+46	
Current Assets	-	-	1,334	1,379	1,488	1,392	1,470	1,719	+340	
Tangible Assets	-	-	22	129	109	296	268	257	+128	
Intangible Assets	-	-	64	66	67	66	68	81	+14	
Investments and Other Assets	-	-	12	42	42	72	60	374	+331	
Fixed Assets	-	-	99	239	219	436	396	714	+475	
Total Assets	-	-	1,434	1,618	1,708	1,828	1,866	2,434	+815	
Current Portion of Long-term Debt	-	-	10	9	9	-	-	-	(9)	
Contract Liabilities	-	-	377	446	528	551	497	658	+212	
Other	-	-	211	258	213	243	265	344	+86	
Current Liabilities	-	-	599	714	752	795	762	1,003	+288	
Long-Term Debt	-	-	19	18	15	-	-	-	(18)	
Other	-	-	3	3	3	39	39	39	+35	
Fixed Liabilities	-	-	23	21	18	39	39	39	+17	
Total Liabilities	-	-	622	736	771	834	801	1,042	+306	
Shareholders' Equity	-	-	808	879	934	991	1,062	1,389	+509	
Other	-	-	2	2	2	2	2	2	(0)	
Net Assets	-	-	811	882	937	994	1,065	1,391	+509	
Total Liabilities and Net Assets	-	-	1,434	1,618	1,708	1,828	1,866	2,434	+815	
Equity Capital	-	-	808	879	934	991	1,062	1,389	+510	
Interest-Bearing Debt	-	-	30	27	25	-	-	-	(27)	
Net Debt	-	-	(1,234)	(1,275)	(1,357)	(1,334)	(1,377)	(1,604)	(328)	
Equity Ratio	-	-	56.4%	54.4%	54.7%	54.2%	56.9%	57.1%	-	
Net Debt-to-Equity Ratio	-	-	(152.6%)	(145.0%)	(145.2%)	(134.6%)	(129.6%)	(115.4%)	-	
ROE (12 months)	-	-	-	24.0%	-	-	21.7%	41.0%	-	
ROA (12 months)	-	-	-	9.9%	-	-	13.4%	9.1%	-	

Source: Company Data, WRJ Calculation

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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