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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	14.78	3.00	-
FY12/2024	YoY	38.5%	43.8%	56.4%	270.1%	-	-	-
FY12/2025CoE	YoY	38.4%	30.6%	29.3%	(65.1%)	-	-	-
Half Year (Parent) (Million Yen)		**Sales**	**Operating Profit**	**Recurring Profit**	**Net Profit**	**EPS (Yen)**	**DPS (Yen)**	**BPS (Yen)**
Q1 to Q2 FY12/2024		785	99	101	85	-	-	-
Q3 to Q4 FY12/2024		921	82	82	380	-	-	-
Q1 to Q2 FY12/2025		1,116	113	113	76	-	-	-
Q3 to Q4 FY12/2025CoE		1,245	123	123	85	-	-	-
Q1 to Q2 FY12/2025	YoY	42.1%	14.1%	12.0%	(9.7%)	-	-	-
Q3 to Q4 FY12/2025CoE	YoY	35.2%	50.2%	50.2%	(77.6%)	-	-	-

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

1.0 Results Update (22 August 2025)

Accounting AI Agent

On 14 August 2025, Fast Accounting, which automates and streamlines accounting tasks through accounting-specific AI, released its results for Q1 to Q2 (January to June) FY12/2025. It has been revealed that clients, centered around existing ones, have started utilizing the Company's Accounting AI agent built on its proprietary platform, Deep Dean. This software agent autonomously executes specific tasks and objectives related to accounting processes, indicating that products and services related to the Accounting Singularity are beginning to be rolled out in earnest. In the lead-up to this point, Deep Dean has surpassed the passing standards of both the Japanese CPA and US CPA exams. Meanwhile, the Company continues to see growing demand for consulting services to support the implementation of its accounting AI agent. Another notable development is that Robota, the Company's flagship product suite, has been adopted in InspectData, a platform provided by NTT DATA WITH, a key sales partner. According to the Company, this partnership is expected to enable more efficient and broader expansion of sales derived from its products and services.

- FY2025 H1 Performance Overview

IR Representative: Akio Kobayashi, Investor Relations, Finance & Accounting, Management Administration (81-(0)3-6453-0970／kobayashi.akio@fastaccounting.co.jp)

2.0 Company Profile

Empowering Confidence and Courage by Removing Constraints

Company Name	Fast Accounting Co., Ltd. Company HP IR Information Share Price (Japanese)
Established	3 June 2016
Listing	22 September 2023: Tokyo Stock Exchange Growth Market (ticker: 5588)
Capital	¥402m (as of the end of June 2025)
No. of Shares	11,068,380 shares, including 152 treasury shares (as of the end of June 2025)
Main Features	● 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 23.36%, MoriSpaceManagement 21.68%, INTERACTIVE BROKERS LLC 7.12%, Custody Bank of Japan, T. 6.09%, Mynavi 4.52% (as of the end of June 2025, but for treasury shares)
Head Office	Minato-ku, Tokyo, JAPAN
No. of Employees	Parent: 77 (as of the end of June 2025)

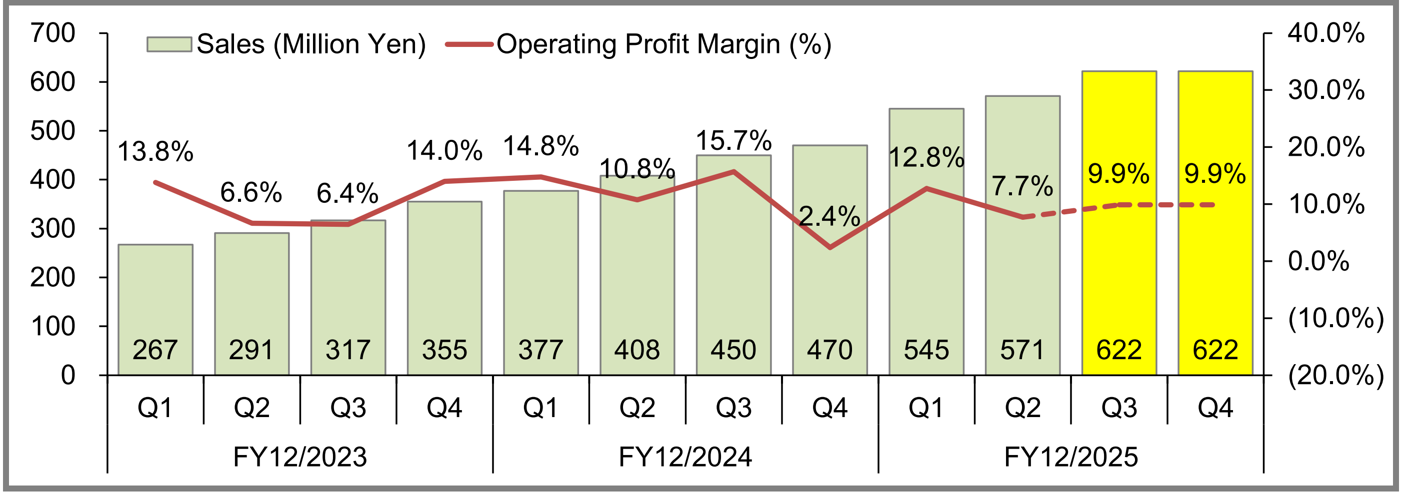
Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q2 (January to June) FY12/2025

For Q1 to Q2 (January to June) FY12/2025, sales came in at ¥1,116m (up 42.1% YoY), operating profit ¥113m (up 14.1%), recurring profit ¥113m (up 12.0%) and net profit ¥76m (down 9.7%). Meanwhile, gross profit came in at ¥784m (up 43.5%) and SG&A expenses ¥670m (up 50.0%), implying gross profit margin of 70.3% (up 0.7% points) and SG&A ratio of 60.1% (up 3.2% points), having resulted in operating profit margin of 10.2% (down 2.5% points).

Sales and Operating Profit Margin

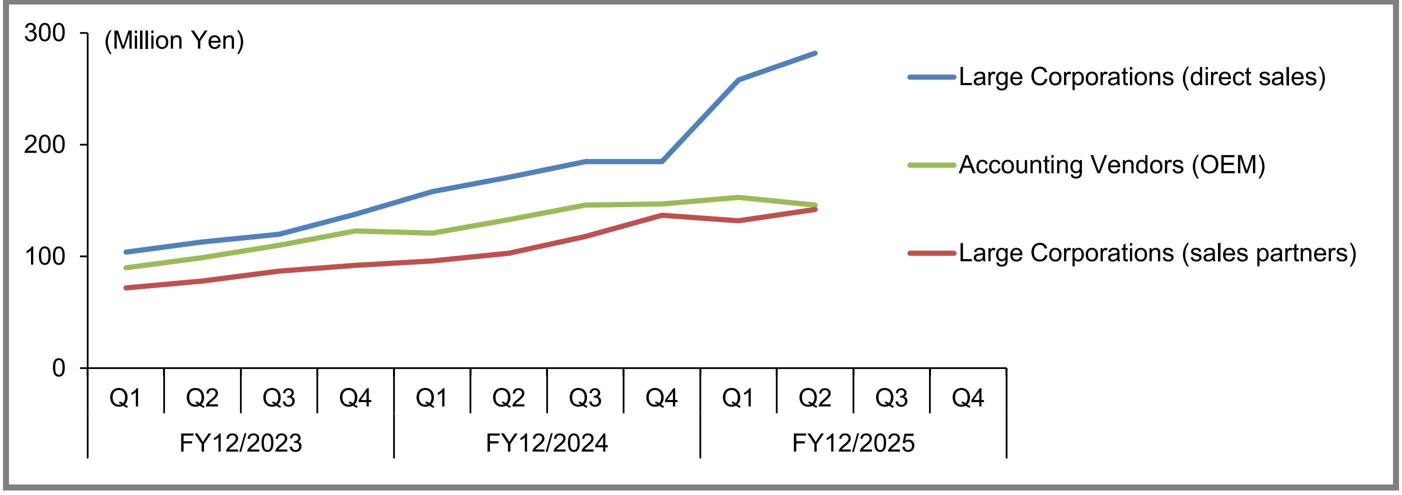


Source: Company Data, WRJ Calculation (Q3 and Q4 FY12/2025:H2 Company forecasts, pro rata)

The progress rate against full-year Company forecasts is 47.3% for sales and 48.0% for operating profit, indicating a steady performance. The Company, being a pure play of SaaS dedicating itself to a subscription-based business model, consistently acquires new contracts, implying a prospect that quarterly sales are to maintain an upward trend over time. Meanwhile, the Company saw operating profit margin declined for Q2 (April to June), which is in line with assumptions of Company forecasts in the first place. The decline is largely attributable to the full-scale incurrence of costs associated with the establishment of its US subsidiary, as well as expenses related to stock options granted to executives and employees. In other words, those developments reflect strategic investments aimed at future growth.

For Q2 (April to June), the Company achieved ARR (Annual Recurring Revenue, calculated as average revenue per account, multiplied by number of clients and by 12 months) of some ¥1,900m, with annual average growth rate of some 27%, while monthly churn rate (gross churn rate) having remained low at 0.58%. Meanwhile, the Company's sales comprised recurring revenue (some 74% of total), usage-based revenue (some 10%) and professional services revenue (some 16%) by revenue base.

Sales by Sales Channel



Source: Company Data, WRJ Calculation

By sales channel, sales to Large Corporations (direct sales) came in at ¥541m (up 64.0%) and sales to Large Corporations (sales partners) ¥274m (up 37.2%), collectively accounting for some 74% of the Company's sales, indicating that the Company primarily focuses on providing its products and services to large corporations. Meanwhile, sales to Accounting Vendors (OEM) came in at ¥300m (up 17.5%).

With respect to sales channel of Large Corporations (direct sales), where the Company conducts its own sales activities, sales have risen sharply as a result of surging sales of professional services revenue, driven by growing demand for consulting services to support the implementation of its accounting AI agent. For Large Corporations (sales partners), sales to large corporations are posted through numerous affiliated consulting firms and system integrators. Meanwhile, for Accounting Vendors (OEM), sales are posted through accounting software vendors that incorporate the Company's products and services into their own offerings to be sold to smaller companies.

FY12/2025 Company Forecasts

FY12/2025 Company forecasts, announced on 14 February 2025, have remained unchanged, 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 have remained unchanged also for planned annual dividend, going for ¥3.00 per share for FY12/2025, implying payout ratio of 20.3%. In terms of net profit, Company forecasts assume that the impact of tax accounting effects will be gone and thus tax rate will be normalized.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement (Million Yen)	Par.Act Q1 12/2024	Par.Act Q1 to Q2 12/2024	Par.Act Q1 to Q3 12/2024	Par.Act Q1 to Q4 12/2024	Par.Act Q1 12/2025	Par.Act Q1 to Q2 12/2025	Par.Act Q1 to Q3 12/2025	Par.Act Q1 to Q4 12/2025	YoY Net Chg.
Sales	**377**	**785**	**1,236**	**1,707**	**545**	**1,116**	**-**	**-**	**+330**
Cost of Sales	114	239	368	506	160	331	-	-	+92
Gross Profit	262	546	868	1,200	384	784	-	-	+237
SG&A Expenses	206	447	698	1,018	314	670	-	-	+223
Operating Profit	**55**	**99**	**170**	**181**	**69**	**113**	**-**	**-**	**+14**
Non Operating Balance	1	1	1	1	0	0	-	-	(1)
Recurring Profit	**57**	**101**	**172**	**183**	**69**	**113**	**-**	**-**	**+12**
Extraordinary Balance	-	-	-	-	-	-	-	-	-
Profit before Income Taxes	57	101	172	183	69	113	-	-	+12
Total Income Taxes	9	16	27	(281)	19	36	-	-	+20
Net Profit	**48**	**85**	**144**	**465**	**49**	**76**	**-**	**-**	**(8)**
Sales YoY	+41.0%	+40.5%	+41.0%	+38.5%	+44.4%	+42.1%	-	-	-
Operating Profit YoY	+50.8%	+77.0%	+121.9%	+43.8%	+24.7%	+14.1%	-	-	-
Recurring Profit YoY	+55.9%	+87.0%	+153.3%	+56.4%	+20.8%	+12.0%	-	-	-
Net Profit YoY	+31.2%	+57.6%	+113.7%	+270.1%	+2.9%	(9.7%)	-	-	-
Gross Profit Margin	69.6%	69.6%	70.2%	70.3%	70.5%	70.3%	-	-	+0.7%
SG&A Ratio	54.8%	56.9%	56.4%	59.7%	57.8%	60.1%	-	-	+3.2%
Operating Profit Margin	14.8%	12.7%	13.8%	10.6%	12.8%	10.2%	-	-	(2.5%)
Recurring Profit Margin	15.3%	12.9%	13.9%	10.8%	12.8%	10.2%	-	-	(2.7%)
Net Profit Margin	12.8%	10.8%	11.7%	27.3%	9.1%	6.9%	-	-	(3.9%)
Total Income Taxes / Profit before Income Taxes	16.1%	16.2%	16.1%	-	28.6%	32.5%	-	-	+16.3%

Income Statement (Million Yen)	Par.Act Q1 12/2024	Par.Act Q2 12/2024	Par.Act Q3 12/2024	Par.Act Q4 12/2024	Par.Act Q1 12/2025	Par.Act Q2 12/2025	Par.Act Q3 12/2025	Par.Act Q4 12/2025	YoY Net Chg.
Sales	**377**	**408**	**450**	**470**	**545**	**571**	**-**	**-**	**+162**
Cost of Sales	114	124	129	138	160	171	-	-	+46
Gross Profit	262	284	321	331	384	400	-	-	+115
SG&A Expenses	206	240	250	320	314	355	-	-	+115
Operating Profit	**55**	**43**	**70**	**11**	**69**	**44**	**-**	**-**	**+0**
Non Operating Balance	1	(0)	0	(0)	0	0	-	-	+0
Recurring Profit	**57**	**43**	**70**	**11**	**69**	**44**	**-**	**-**	**+0**
Extraordinary Balance	-	-	-	-	-	-	-	-	-
Profit before Income Taxes	57	43	70	11	69	44	-	-	+0
Total Income Taxes	9	7	11	(309)	19	17	-	-	+9
Net Profit	**48**	**36**	**59**	**320**	**49**	**27**	**-**	**-**	**(9)**
Sales YoY	+41.0%	+40.1%	+41.8%	+32.5%	+44.4%	+39.9%	-	-	-
Operating Profit YoY	+50.8%	+127.1%	+245.1%	(77.2%)	+24.7%	+0.5%	-	-	-
Recurring Profit YoY	+55.9%	+153.3%	+414.8%	(77.1%)	+20.8%	+0.5%	-	-	-
Net Profit YoY	+31.2%	+113.9%	+336.2%	+452.2%	+2.9%	(26.3%)	-	-	-
Gross Profit Margin	69.6%	69.6%	71.4%	70.6%	70.5%	70.0%	-	-	+0.4%
SG&A Ratio	54.8%	58.8%	55.7%	68.1%	57.8%	62.3%	-	-	+3.5%
Operating Profit Margin	14.8%	10.8%	15.7%	2.4%	12.8%	7.7%	-	-	(3.0%)
Recurring Profit Margin	15.3%	10.7%	15.7%	2.4%	12.8%	7.7%	-	-	(3.0%)
Net Profit Margin	12.8%	9.0%	13.2%	68.2%	9.1%	4.7%	-	-	(4.3%)
Total Income Taxes / Profit before Income Taxes	16.1%	16.2%	16.1%	-	28.6%	38.6%	-	-	+22.4%

Source: Company Data, WRJ Calculation

Sales by Sales Channel (Cumulative / Quarterly)

Sales by Sales Channel (Million Yen)	Par.Act Q1 12/2024	Par.Act Q1 to Q2 12/2024	Par.Act Q1 to Q3 12/2024	Par.Act Q1 to Q4 12/2024	Par.Act Q1 12/2025	Par.Act Q1 to Q2 12/2025	Par.Act Q1 to Q3 12/2025	Par.Act Q1 to Q4 12/2025	YoY Net Chg.
Large Corporations (direct sales)	158	330	515	701	258	541	-	-	+211
Large Corporations (sales partners)	96	200	318	456	132	274	-	-	+74
Accounting Vendors (OEM)	121	255	402	549	153	300	-	-	+44
Sales	**377**	**785**	**1,236**	**1,707**	**545**	**1,116**	**-**	**-**	**+330**
Large Corporations (direct sales)	+51.6%	+51.1%	+52.1%	+46.8%	+63.3%	+64.0%	-	-	-
Large Corporations (sales partners)	+33.0%	+32.3%	+33.6%	+37.9%	+36.5%	+37.2%	-	-	-
Accounting Vendors (OEM)	+35.1%	+34.8%	+34.2%	+29.6%	+26.2%	+17.5%	-	-	-
Sales (YoY)	**+41.0%**	**+40.5%**	**+41.0%**	**+38.5%**	**+44.4%**	**+42.1%**	**-**	**-**	**-**
Large Corporations (direct sales)	42.0%	42.0%	41.7%	41.1%	47.5%	48.5%	-	-	-
Large Corporations (sales partners)	25.7%	25.5%	25.8%	26.7%	24.3%	24.6%	-	-	-
Accounting Vendors (OEM)	32.3%	32.5%	32.5%	32.2%	28.2%	26.9%	-	-	-
Sales (composition ratio)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-**	**-**	**-**

Sales by Sales Channel (Million Yen)	Par.Act Q1 12/2024	Par.Act Q2 12/2024	Par.Act Q3 12/2024	Par.Act Q4 12/2024	Par.Act Q1 12/2025	Par.Act Q2 12/2025	Par.Act Q3 12/2025	Par.Act Q4 12/2025	YoY Net Chg.
Large Corporations (direct sales)	158	171	185	185	258	282	-	-	+110
Large Corporations (sales partners)	96	103	118	137	132	142	-	-	+39
Accounting Vendors (OEM)	121	133	146	147	153	146	-	-	+12
Sales	**377**	**408**	**450**	**470**	**545**	**571**	**-**	**-**	**+162**
Large Corporations (direct sales)	+51.6%	+50.6%	+54.0%	+33.9%	+63.3%	+64.6%	-	-	-
Large Corporations (sales partners)	+33.0%	+31.7%	+35.6%	+49.0%	+36.5%	+37.9%	-	-	-
Accounting Vendors (OEM)	+35.1%	+34.5%	+33.2%	+18.7%	+26.2%	+9.7%	-	-	-
Sales (YoY)	**+41.0%**	**+40.1%**	**+41.8%**	**+32.5%**	**+44.4%**	**+39.9%**	**-**	**-**	**-**
Large Corporations (direct sales)	42.0%	42.0%	41.2%	39.4%	47.5%	49.4%	-	-	-
Large Corporations (sales partners)	25.7%	25.3%	26.3%	29.3%	24.3%	24.9%	-	-	-
Accounting Vendors (OEM)	32.3%	32.8%	32.5%	31.2%	28.2%	25.7%	-	-	-
Sales (composition ratio)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-**	**-**	**-**

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Par.Act Q1 12/2024	Par.Act Q1 to Q2 12/2024	Par.Act Q1 to Q3 12/2024	Par.Act Q1 to Q4 12/2024	Par.Act Q1 12/2025	Par.Act Q1 to Q2 12/2025	Par.Act Q1 to Q3 12/2025	Par.Act Q1 to Q4 12/2025	YoY Net Chg.
Operating Cash Flow	-	236	-	530	-	159	-	-	(78)
Investing Cash Flow	-	(205)	-	(246)	-	(44)	-	-	+160
Operating Cash Flow and Investing Cash Flow	**-**	**32**	**-**	**284**	**-**	**115**	**-**	**-**	**+83**
Financing Cash Flow	-	(2)	-	16	-	44	-	-	+46

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Par.Act Q1 12/2024	Par.Act Q2 12/2024	Par.Act Q3 12/2024	Par.Act Q4 12/2024	Par.Act Q1 12/2025	Par.Act Q2 12/2025	Par.Act Q3 12/2025	Par.Act Q4 12/2025	YoY Net Chg.
Cash and Deposit	1,381	1,333	1,376	1,603	1,625	1,764	-	-	+430
Accounts Receivables	38	28	41	25	92	149	-	-	+120
Other	67	29	52	90	59	32	-	-	+2
Current Assets	**1,488**	**1,392**	**1,470**	**1,719**	**1,777**	**1,945**	**-**	**-**	**+553**
Tangible Assets	109	296	268	257	237	215	-	-	(81)
Intangible Assets	67	66	68	81	86	87	-	-	+20
Investments and Other Assets	42	72	60	374	381	381	-	-	+308
Fixed Assets	**219**	**436**	**396**	**714**	**704**	**684**	**-**	**-**	**+247**
Total Assets	**1,708**	**1,828**	**1,866**	**2,434**	**2,482**	**2,630**	**-**	**-**	**+801**
Current Portion of Long-term Debt	9	-	-	-	-	-	-	-	-
Contract Liabilities	528	551	497	658	683	718	-	-	+166
Other	213	243	265	344	299	347	-	-	+104
Current Liabilities	**752**	**795**	**762**	**1,003**	**982**	**1,065**	**-**	**-**	**+270**
Long-Term Debt	15	-	-	-	-	-	-	-	-
Other	3	39	39	39	39	39	-	-	+0
Fixed Liabilities	**18**	**39**	**39**	**39**	**39**	**39**	**-**	**-**	**+0**
Total Liabilities	**771**	**834**	**801**	**1,042**	**1,022**	**1,104**	**-**	**-**	**+270**
Shareholders' Equity	**934**	**991**	**1,062**	**1,389**	**1,458**	**1,497**	**-**	**-**	**+506**
Other	2	2	2	2	2	27	-	-	+24
Net Assets	**937**	**994**	**1,065**	**1,391**	**1,460**	**1,525**	**-**	**-**	**+530**
Total Liabilities and Net Assets	**1,708**	**1,828**	**1,866**	**2,434**	**2,482**	**2,630**	**-**	**-**	**+801**
Equity Capital	934	991	1,062	1,389	1,458	1,498	-	-	+507
Interest-Bearing Debt	25	-	-	-	-	-	-	-	-
Net Debt	(1,357)	(1,334)	(1,377)	(1,604)	(1,626)	(1,765)	-	-	(430)
Equity Ratio	54.7%	54.2%	56.9%	57.1%	58.7%	57.0%	-	-	-
Net Debt-to-Equity Ratio	(145.2%)	(134.6%)	(129.6%)	(115.4%)	(111.5%)	(117.8%)	-	-	-
ROE (12 months)	-	-	21.7%	41.0%	39.0%	36.7%	-	-	-
ROA (12 months)	-	-	13.4%	9.1%	9.3%	8.8%	-	-	-

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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