

Providing strategic accounting practice support services transcending journal entries and other basic tasks

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For inquiries concerning the report, please contact info@stock-r.org

【296A Reiwa Accounting Holdings Sector : Services】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Mar. 2023	3,884	-	765	-	767	-	327	-	8.7	53.5	6.4
Mar. 2024	4,423	13.9	822	7.5	824	7.4	574	75.5	15.3	62.5	11.5
Mar. 2025 f	4,934	11.6	1,122	36.5	1,083	31.4	755	31.5	20.1	-	15.5

Note: Consolidated basis. Figures for the fiscal year ending March 2025 is the company's forecasts.

Providing Accounting-Related Consulting Services

Reiwa Accounting Holdings group offers accounting-related consulting services to organizations that require systematic responses and high levels of specialized knowledge, such as large companies, including listed companies, investment corporations and real estate funds, medical institutions and other healthcare-related corporations and municipal governments.

The company's consulting services are categorized as the consulting services (long) and the consulting services (short). The consulting services (long) is a continuous accounting-related consulting service that involves inputting journal entries for daily economic transactions and creating financial statements based on accounting principles and using these figures for business management. It is the group's primary business, accounting for 83.2% of net sales in fiscal year ended March 2024.

The consulting services (short) is a non-continuous consulting service, positioned as a by-product of trusting relationships with the consulting services (long) clients. The consulting services (short) accounted for 16.3% of net sales in fiscal year ended March 2024. Other business include accounting practice-related education, dispatch and placement services.

The group's clients are primarily large corporate groups, many of which require specialized knowledge and response. As of the end of fiscal year ended March 2024, the number of client groups had reached 183. Moreover, the average annual remuneration for the company's client groups in fiscal year ended March 2024 was approximately 21.8 million yen, while the average for the top 100 groups in terms of transaction value was approximately 37.6 million yen. For the top 10, it was approximately 187.6 million yen. Given this, the company believes that there is room to increase remuneration through expansion of the scope of work for numerous client groups.

Financial Statements

Statement of income	Fiscal Year	Mar. 2023		Mar. 2024		Six months to Sep.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		3,884	100.0	4,423	100.0	2,364	100.0
Cost of sales		1,950	50.2	2,269	51.3	1,160	49.1
Gross profit		1,934	49.8	2,153	48.7	1,203	50.9
Selling, general and administrative expenses		1,169	30.1	1,330	30.1	551	23.3
Operating profit		765	19.7	822	18.6	651	27.5
Non-operating income		2	-	2	-	2	-
Non-operating expenses		0	-	1	-	2	-
Ordinary profit		767	19.7	824	18.6	651	27.5
Profit before income taxes		467	12.0	824	18.6	651	27.5
Profit attributable to owners of parent		327	8.4	574	13.0	419	17.7

Balance sheet	Fiscal Year	Mar. 2023		Mar. 2024		Sep.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		5,121	91.3	5,175	90.9	3,309	86.6
Cash and deposits		4,465	79.6	4,437	77.9	2,548	66.7
Accounts receivable		573	10.2	663	11.6	658	17.2
Inventories		3	0.1	1	0.0	1	0.0
Non-current assets		489	8.7	519	9.1	509	13.3
Property, plant and equipment		98	1.7	101	1.8	104	2.7
Intangible assets		4	0.1	5	0.1	4	0.1
Investments and other assets		386	6.9	413	7.3	400	10.5
Total assets		5,611	100.0	5,695	100.0	3,819	100.0
Current liabilities		3,557	63.4	3,309	58.1	1,443	37.8
Lease obligations		7	0.1	7	0.1	7	0.2
Deposits received		3,171	56.5	2,860	50.2	964	25.2
Non-current liabilities		21	0.4	13	0.2	9	0.2
Lease obligations		21	0.4	13	0.2	9	0.2
Net assets		2,032	36.2	2,372	41.7	2,366	62.0
Owners' equity		2,006	35.8	2,343	41.1	2,330	61.0

Statement of cash flows	Fiscal Year	Mar. 2023	Mar. 2024	Six months to Sep.2024
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		160	607	401
Depreciation		34	36	16
Cash flows from investing activities		-12	-37	-12
Cash flows from financing activities		-222	-247	-435
Dividends paid		-215	-240	-431
Net increase in cash and cash equivalents		-73	323	-46
Cash and cash equivalents		1,353	1,677	1,630

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.