

— Accounting and tax related advisory services

Corporate finance

Due diligence, valuation, accounting, and taxation

As an accounting and taxation specialist, we provide consulting related to the execution of key corporate management strategies, corporate valuations, due diligence, and other services.

The environment surrounding Japanese companies is becoming more difficult every year, owing to factors such as international trade friction and the shrinking of the domestic market. In this environment, strategic corporate decision-making concerning mergers with other companies and acquisitions (M&A), business or group company restructuring, and other actions is becoming increasingly important.

In the corporate finance domain, taxation and accounting holds a very significant position, and there are many complex deals, meaning that advanced knowledge, experience, and judgment are required. When making investment decisions as part of M&A and corporate rehabilitation, it is essential for successfully making decisions on the execution of transactions, negotiations, coordination, determining structuring methods, etc., that investors research and analyze the details and level of risks surrounding investee companies in advance. In addition to third-party valuations of target companies, there is also increasing emphasis on detailed analysis of future corporate value or other asset values, in line with the spread of the concept of market value taxation, such as market value disclosure and the reorganization taxation system.

At Tokyo Kyodo Accounting Office, in response to these changes in issues in the corporate finance domain, we have enhanced our range of consulting services to support clients' management decision-making, as well as transaction and valuation services.

Strengths of our services

- Accounting and taxation advice for transactions that are important for management strategy, such as corporate mergers, acquisitions, and corporate rehabilitation, corporate valuation, due diligence, and other services
- We have a track record of involvement with a wide variety of deals, from major cross-border deals to mid-sized and small projects in Japan
- Our teams offer consistent support from the deal start to completion, with prompt and high-quality service

Features of our services

1 Accounting and taxation consulting

We analyze and propose the optimal solutions for accounting and taxation problems in M&A, corporate rehabilitation, and other transactions, based on the latest taxation and accounting knowledge.

- Support for the optimization of group management from a finance and taxation perspective
- Analysis and proposal of the optimal structures for corporate acquisitions and internal group restructuring
Reorganization taxation system, group taxation relief system, group taxation system, etc.
- Taxation risk analysis and advice on the optimal structures for corporate rehabilitation
(statutory rehabilitation methods, private rehabilitation methods, second company scheme, etc.)
- Advice on accounting and taxation for corporate acquisitions and internal group restructuring
- Accounting and taxation advice and structuring proposals for delisting, MBOs, etc.

2 Valuation services

We provide third-party valuations for the calculation of business valuations for target companies and business divisions, as well as share exchange ratios, merger ratios, etc., in corporate restructuring.

- Company and business valuations
- Calculation of merger ratios, exchange ratios, etc.
- Valuation of share acquisition rights and stock options
- Valuation of class shares (common shares, preferred investment securities, preferred shares)
- Calculation of fair value for accounting purposes

3 Finance and taxation due diligence

In addition to research reports on finance and taxation risk related to investee companies, we also provide higher value-added services, such as acquisition structure proposals and business plan formulation support.

- Assessment of actual net assets
- Analysis of normal profitability
- Analysis of significant impacts on future cash flows or profit and loss
- Comparisons of past KPIs and assumptions for business plans
- Research into details of past fiscal years' tax returns
- Analysis of details of taxation investigations and status of response

