

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2025 (Nine Months Ended March 31, 2025)

[Japanese GAAP]
May 15, 2025

Company name: HIRAYAMA HOLDINGS Co., Ltd. Listing: Tokyo Stock Exchange
Securities code: 7781 URL: <https://www.hirayamastaff.co.jp/>
Representative: Yoshikazu Hirayama, President
Contact: Shingo Tsukahara, Executive Officer, General Manager of Group Strategy Division
Tel: +81-(0)3-5769-4680

Scheduled date of payment of dividend: -
Preparation of supplementary materials for financial results: None
Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2025 (July 1, 2024 to March 31, 2025)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Mar. 31, 2025	26,880	2.3	1,002	17.2	1,053	17.5	676	15.9
Nine months ended Mar. 31, 2024	26,264	11.7	855	9.1	896	8.7	583	15.1

Note: Comprehensive income (millions of yen) Nine months ended Mar. 31, 2025: 691 (up 18.4%)
Nine months ended Mar. 31, 2024: 583 (up 16.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Mar. 31, 2025	88.60	87.87
Nine months ended Mar. 31, 2024	79.02	76.31

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2025	12,258	4,834	39.4	630.65
As of Jun. 30, 2024	12,294	4,466	36.3	591.31

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2025: 4,828 As of Jun. 30, 2024: 4,462

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2024	-	12.00	-	30.00	42.00
Fiscal year ending Jun. 30, 2025	-	16.00	-		
Fiscal year ending Jun. 30, 2025 (forecasts)				34.00	50.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,000	7.7	1,347	20.4	1,336	14.5	850	12.3	112.62

Note: Revisions to the most recently announced consolidated earnings forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

1) Number of outstanding shares as of the end of the period (including treasury shares)

As of Mar. 31, 2025:	8,149,200 shares	As of Jun. 30, 2024:	8,040,400 shares
----------------------	------------------	----------------------	------------------

2) Number of treasury shares as of the end of the period

As of Mar. 31, 2025:	492,773 shares	As of Jun. 30, 2024:	492,773 shares
----------------------	----------------	----------------------	----------------

3) Average number of outstanding shares during the period

Nine months ended Mar. 31, 2025:	7,631,023 shares	Nine months ended Mar. 31, 2024:	7,382,167 shares
----------------------------------	------------------	----------------------------------	------------------

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to Hirayama Holdings at the time these materials were prepared. These materials are not promises by Hirayama Holdings regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to the section “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements” of the attachments regarding preconditions or other related matters for the forecasts.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	4
(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income	
For the Nine-month Period	
Quarterly Consolidated Statement of Comprehensive Income	
For the Nine-month Period	7
(3) Notes to Quarterly Consolidated Financial Statements	8
Segment and Other Information	8
Significant Changes in Shareholders' Equity	9
Going Concern Assumption	9
Notes to Quarterly Consolidated Balance Sheet	9
Notes to Quarterly Consolidated Statement of Cash Flows	9

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first nine months of the current fiscal year (July 1, 2024 to March 31, 2025), according to the Bank of Japan Tankan released on April 1, 2025, the business sentiment (DI: the difference between the percentages of companies that described conditions as favorable or unfavorable) of large manufacturing companies worsened for the first time in four quarters, falling two points from the December survey to plus 12. The causes are the increasingly uncertain outlook due to new U.S. tariffs, the higher cost of raw materials, and slowing economic growth in China, Europe and other regions. The DI for large companies in the nonmanufacturing category slightly improved by two points from the previous survey to plus 35. This was the first improvement in two quarters. In the hospitality and food and beverage services sector, there was a 6 point improvement to plus 46 due to a steady increase in demand created by the large number of foreign tourists in Japan. The retail sector improved 8 points to plus 21.

Unemployment in Japan was 2.4% in February 2025 and the seasonally adjusted February jobs-to-applicants ratio was 1.24. Although there is still a labor shortage in Japan, some companies are holding down recruiting activities in response to rising expenses caused by inflation. In addition, the number of people in Japan seeking a different job is decreasing as improving wages and benefits make present jobs more attractive and new U.S. tariffs make the outlook for the economy uncertain.

Sales and earnings in the first nine months were higher than one year earlier. There is no growth in Thailand's manufacturing sector but demand is increasing in Japan for the Hirayama Group's services due to the recovery of manufacturing activity. In-sourcing (on-site contract work) & temp staffing services were a major source of growth. The main reasons are higher orders from new and current customers, the negative impact on earnings one year earlier of expenses for adding newly consolidated subsidiary Hirayama GL (formerly Bridgestone Green Landscape) to the Hirayama Group, and an improvement in production efficiency by using the Hirayama Group's Genba Kaizen expertise.

Net sales increased 2.3% year-on-year to 26,880 million yen and operating profit increased 17.2% to 1,002 million yen. Ordinary profit increased 17.5% to 1,053 million yen, which includes foreign exchange gains of 48 million yen. Profit attributable to owners of parent increased 15.9% to 676 million yen after income taxes of 372 million yen.

Business segment performance was as follows.

1) In-sourcing & temp staffing services

Sales increased due to a large volume of in-sourcing and temp staffing orders from several customers in the electronic device, semiconductor manufacturing and medical equipment sectors. Demand continued to be very strong in the logistics, passenger transport, retail and other sectors. One reason is the large number of foreign tourists in Japan. As a result, there were additional orders for temporary staffing from current customers and many orders from new customers. Several current customers changed from temporary staffing to in-sourcing. Hirayama GL, which became a consolidated subsidiary in the previous fiscal year, was another reason for sales growth in this segment.

Earnings were higher than one year earlier as a result of higher temporary staffing rates at many client companies that reflected the October 2024 minimum wage hike, and the strong performance of the medical equipment sector and the earnings of newly consolidated subsidiary Hirayama GL. To continue the growth of in-sourcing and temporary staffing, this business strategically used recruiting and other expenses to add people for high-rate projects where customer needs are substantial and to strengthen training programs that give people high-end skills. The addition of business sites and a training center, higher initial salaries for new graduates hired in 2025, and hiring of recruiting and training personnel also resulted in higher expenses.

New college graduates who were hired in 2024 are now making a contribution to the stability of manufacturing operations. However, recruiting expenses increased because the recruiting environment for people with previous work experience is more difficult than in the previous fiscal year due to the recovery of the service sector. During the first nine months, the Hirayama Group used cost-effective advertising on regional TV stations and other media, social networking services, information about prospective employees from current employees and other measures to continue strengthening recruiting operations. These activities are also aimed at improving the public perception of the Hirayama Group. Furthermore, the diversification of recruiting channels and other actions are being used to hire

more people. Expenses for recruiting new graduates and people with previous work experience as well as labor expenses in general are increasing because of inflation, rising wages and other reasons. To reflect these expenses, activities are under way to improve earnings with the understanding of client companies.

Segment sales in the first nine months increased 3.8% year-on-year to 21,839 million yen and segment profit increased 25.7% to 1,386 million yen.

2) Engineer placement services

Demand for engineers was supported by a continued recovery in expenditures based on a medium to long-term perspective by some large manufacturers that use the group's engineer placement services. Orders are increasing mainly for embedded control software for automotive applications and precision equipment, and manufacturing equipment. Furthermore, the number of orders involving development projects for aircraft components continues to increase.

There is a more severe shortage of engineers at manufacturers in Japan. Temporary staffing rates are climbing as programs to increase the skills and experience of young people who have little or no prior engineering experience raise the market value of these people, contributing to sales and earnings growth of the Hirayama Group.

However, companies in the precision instrument, automobile and other industries may respond to the new U.S. tariffs by reducing their workforces in April or afterward. This business is creating flexible and continuous staffing proposals for companies while monitoring changes at companies involving staffing.

Recruiting activities in this business increased due to the outlook for medium- to long-term growth. Manufacturers and other temporary staffing and placement companies are working hard on hiring new graduates and people with prior work experience. As a result, the competition for hiring engineers remains intense. To add engineers, we are upgrading our ability to hire people by strengthening recruiting capabilities, using advertisements on our new recruiting website and adding new channels for hiring people. For meeting the growing demand for people in the IT sector, there are many activities to recruit young IT engineers. As the number of young engineers with prior work experience increases, we are strengthening our training programs to assist engineers with boosting their market value. Another goal is to use these programs to raise the utilization rate of these engineers by quickly finding positions for people waiting for an assignment. Furthermore, we are using numerous activities to recruit skilled engineers in other countries to meet the demand for engineers as the severe shortage of engineers in Japan continues.

Segment sales increased 5.0% year-on-year to 2,315 million yen, but segment profit decreased 25.5% to 99 million yen, mainly due to the time needed to place young IT engineers in the temporary staffing assignments where they are currently working.

3) Overseas operations

In Thailand, the primary location of operations outside Japan, the manufacturing production index decreased 3.6% in the first quarter of 2024, decreased 0.2% in the second quarter, decreased 1.1% in the third quarter, and decreased 2.0% from one year earlier in the fourth quarter, and has continued to weaken. In the automobile industry, which is the main source of orders, the manufacturing production index decreased 18.4% from one year earlier in the first quarter of 2024, decreased 16.3% in the second quarter, decreased 21.0% in the third quarter, and decreased 25.3% in the fourth quarter. Due to these declines, the number of Hirayama Group temporary staffing personnel on assignments in Thailand was 2,062 in December 2024, down 26.5% from one year earlier. Despite this downturn, there was a profit because of continuing initiatives to hold down expenses. More activities are underway for further cost cutting to improve profitability.

Segment sales decreased 18.4% year-on-year to 1,761 million yen and segment profit decreased 47.4% to 35 million yen.

Note: There is a three-month delay in the announcement of results of operations in the overseas operations segment. The sales and earnings reported for the first nine months of the fiscal year ending in June 2025 are for overseas operations in the period from April to December 2024.

4) Others

The performance of this segment was supported by an increase in orders for Genba Kaizen consulting in Japan and other countries and factory start-up consulting. Orders for training programs also increased in other countries.

Segment earnings increased because of higher earnings in the employment management support business for foreign nationals in Japan. This business is placing an increasing number of engineers and interns from other countries in jobs in Japan. Firm orders and production of midsize products at Heiwa Ironworks Co., Ltd. and a large number of requests from manufacturers of heavy electrical equipment for the fabrication of tiny items also contributed to earnings.

Segment sales increased 12.0% year-on-year to 963 million yen and segment profit increased 10.2% to 275 million yen.

(2) Explanation of Financial Position

Total assets decreased 35 million yen from the end of the previous fiscal year to 12,258 million yen at the end of the third quarter of the current fiscal year.

Current assets decreased 206 million yen to 10,477 million yen. This was mainly due to decreases in cash and deposits of 132 million yen and notes and accounts receivable-trade of 175 million yen.

Non-current assets increased 171 million yen to 1,781 million yen. This was mainly attributable to increases in property, plant and equipment of 70 million yen, intangible assets of 9 million yen and investments and other assets of 92 million yen.

Total liabilities decreased 403 million yen to 7,424 million yen.

Current liabilities decreased 254 million yen to 4,745 million yen. This was mainly attributable to increases in provision for bonuses of 249 million yen and income taxes payable of 114 million yen. These increases were partially offset by decreases in accounts payable-other of 181 million yen, accrued consumption taxes of 19 million yen and other current liabilities of 379 million yen.

Non-current liabilities decreased 148 million yen to 2,678 million yen. This was mainly due to a decrease in long-term borrowings of 290 million yen, which was partially offset by an increase in retirement benefit liability of 94 million yen.

Net assets increased 367 million yen to 4,834 million yen. The main factors include profit attributable to owners of parent of 676 million yen in retained earnings, which was partially offset by dividends paid of 348 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

In the outlook for the global economy announced on April 22, 2025 by the International Monetary Fund (IMF), the forecast for 2025 economic growth in Japan decreased to 0.6% from the outlook in January of 1.1%. The 2025 global economic growth forecast is 2.8%, down from the 3.3% forecast announced in January.

In its “Asian Development Outlook April 2025” announced on April 9, 2025 (which does not incorporate the effects of the reciprocal tariffs announced by the U.S. administration on April 2), the Asian Development Bank forecasts Thailand's economic growth at 2.9% in 2025, up 0.1% from the previous outlook announced in December 2024, assuming steady growth in the tourism industry.

Hirayama Group companies are making progress with raising rates and placing people hired as new graduates in assignments where they can start contributing to manufacturing. As a result, we believe that performance this fiscal year will be consistent with our forecast. We will continue to recruit a large number of people and provide education and other training for jobs requiring specialized skills, such as facility maintenance and semiconductor engineers. These activities are expected to increase the number of people we can send to client companies for technical tasks that demand highly trained workers.

Based on this outlook, there are no revisions to the forecast that was announced on August 14, 2024 for the fiscal year ending in June 2025.

* Forecasts are based on information currently available to Hirayama Holdings. Actual performance may differ from these forecasts for a number of reasons.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/24 (As of Jun. 30, 2024)	Third Quarter of FY6/25 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	5,949,094	5,816,386
Notes and accounts receivable-trade	3,896,926	3,721,924
Income taxes refund receivable	212,981	136,339
Other	636,717	813,288
Allowance for doubtful accounts	(11,201)	(10,414)
Total current assets	10,684,518	10,477,524
Non-current assets		
Property, plant and equipment	459,812	529,821
Intangible assets	59,994	69,292
Investments and other assets	1,089,917	1,182,195
Total non-current assets	1,609,724	1,781,309
Total assets	12,294,242	12,258,833
Liabilities		
Current liabilities		
Short-term borrowings	80,000	50,000
Current portion of long-term borrowings	398,200	390,300
Accounts payable-other	2,731,283	2,549,450
Income taxes payable	160,924	275,284
Accrued consumption taxes	613,120	593,980
Provision for bonuses	188,845	437,998
Other	828,399	448,774
Total current liabilities	5,000,773	4,745,788
Non-current liabilities		
Long-term borrowings	1,187,000	896,250
Retirement benefit liability	1,247,967	1,342,168
Provision for retirement benefits for directors (and other officers)	311,435	315,335
Other	80,837	125,099
Total non-current liabilities	2,827,240	2,678,852
Total liabilities	7,828,013	7,424,641
Net assets		
Shareholders' equity		
Share capital	558,186	570,807
Capital surplus	477,673	490,081
Retained earnings	3,680,151	4,007,338
Treasury shares	(250,272)	(250,272)
Total shareholders' equity	4,465,739	4,817,955
Accumulated other comprehensive income		
Foreign currency translation adjustment	(2,769)	10,575
Total accumulated other comprehensive income	(2,769)	10,575
Share acquisition rights	76	43
Non-controlling interests	3,181	5,618
Total net assets	4,466,228	4,834,192
Total liabilities and net assets	12,294,242	12,258,833

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY6/24 (Jul. 1, 2023 – Mar. 31, 2024)	First nine months of FY6/25 (Jul. 1, 2024 – Mar. 31, 2025)
Net sales	26,264,124	26,880,200
Cost of sales	21,837,516	22,036,103
Gross profit	4,426,607	4,844,096
Selling, general and administrative expenses	3,571,304	3,841,686
Operating profit	855,303	1,002,410
Non-operating income		
Foreign exchange gains	25,015	48,421
Subsidy income	3,720	1,170
Other	16,519	15,573
Total non-operating income	45,254	65,166
Non-operating expenses		
Interest expenses	3,398	11,533
Other	718	2,533
Total non-operating expenses	4,117	14,067
Ordinary profit	896,440	1,053,509
Extraordinary income		
Gain on reversal of share acquisition rights	-	33
Gain on sale of non-current assets	45	-
Gain on bargain purchase	13,718	-
Total extraordinary income	13,764	33
Extraordinary losses		
Loss on retirement of non-current assets	1,160	1,997
Loss on valuation of investment securities	-	989
Loss on liquidation of subsidiaries and associates	2,486	-
Company-sponsored funeral	8,029	-
Total extraordinary losses	11,676	2,986
Profit before income taxes	898,528	1,050,555
Income taxes-current	358,731	449,585
Income taxes-deferred	(44,852)	(77,236)
Total income taxes	313,878	372,349
Profit	584,649	678,206
Profit attributable to non-controlling interests	1,322	2,087
Profit attributable to owners of parent	583,327	676,118

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	(Thousands of yen)	
	First nine months of FY6/24 (Jul. 1, 2023 – Mar. 31, 2024)	First nine months of FY6/25 (Jul. 1, 2024 – Mar. 31, 2025)
Profit	584,649	678,206
Other comprehensive income		
Foreign currency translation adjustment	(688)	13,380
Total other comprehensive income	(688)	13,380
Comprehensive income	583,961	691,587
Comprehensive income attributable to:		
Owners of parent	582,626	689,463
Non-controlling interests	1,334	2,123

(3) Notes to Quarterly Consolidated Financial Statements**Segment and Other Information****Segment Information**

I First nine months of FY6/24 (Jul. 1, 2023 – Mar. 31, 2024)

1. Information related to net sales and profit for each reportable segment

(Thousands of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	In-sourcing & temp staffing	Engineer placement	Overseas operations	Total				
Net sales								
Sales to external customers	21,039,360	2,205,364	2,159,096	25,403,820	860,303	26,264,124	-	26,264,124
Inter-segment sales and transfers	-	18,125	2,466	20,592	117,934	138,526	(138,526)	-
Total	21,039,360	2,223,489	2,161,563	25,424,413	978,237	26,402,651	(138,526)	26,264,124
Segment profit	1,102,746	133,693	68,035	1,304,475	249,640	1,554,116	(698,812)	855,303

- Notes: 1. “Other” is a business segment that is not included in reportable segments. This segment consists primarily of the consulting business, education business and the fee-based employment placement agency business.
2. The adjustment of minus 698,812 thousand yen to segment profit includes inter-segment transaction elimination of 52,558 thousand yen and corporate expenses of minus 751,370 thousand yen that are not allocated to reportable segments. Corporate expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.
3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

II First nine months of FY6/25 (Jul. 1, 2024 – Mar. 31, 2025)

1. Information related to net sales and profit for each reportable segment

(Thousands of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	In-sourcing & temp staffing	Engineer placement	Overseas operations	Total				
Net sales								
Sales to external customers	21,839,288	2,315,972	1,761,314	25,916,575	963,625	26,880,200	-	26,880,200
Inter-segment sales and transfers	50	5,171	2,916	8,137	131,669	139,807	(139,807)	-
Total	21,839,338	2,321,144	1,764,230	25,924,713	1,095,294	27,020,008	(139,807)	26,880,200
Segment profit	1,386,315	99,627	35,810	1,521,753	275,006	1,796,759	(794,349)	1,002,410

- Notes: 1. “Other” is a business segment that is not included in reportable segments. This segment consists primarily of the consulting business, education business and the fee-based employment placement agency business.
2. The adjustment of minus 794,349 thousand yen to segment profit includes inter-segment transaction elimination of 59,875 thousand yen and corporate expenses of minus 854,225 thousand yen that are not allocated to reportable segments. Corporate expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.
3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Notes to Quarterly Consolidated Balance Sheet**Overdraft agreements**

At Hirayama Holdings and its consolidated subsidiaries, there are overdraft agreements with three banks to facilitate the efficient procurement of funds for business requirements. The balance of unused credit lines under these agreements is as follows.

	(Thousands of yen)	
	FY6/24 (As of Jun. 30, 2024)	Third Quarter of FY6/25 (As of Mar. 31, 2025)
Current account overdraft	1,080,000	1,080,000
Credit used	80,000	50,000
Credit available	1,000,000	1,030,000

Notes to Quarterly Consolidated Statement of Cash Flows

The Quarterly Consolidated Statement of Cash Flows for the first nine months of the fiscal year ending June 30, 2025 has not been prepared. Depreciation (includes amortization expenses related to intangible assets) and amortization of goodwill for the first nine months of each fiscal year are as follows.

	(Thousands of yen)	
	First nine months of FY6/24 (Jul. 1, 2023 – Mar. 31, 2024)	First nine months of FY6/25 (Jul. 1, 2024 – Mar. 31, 2025)
Depreciation	46,845	58,092
Amortization of goodwill	7,357	397

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.