

Consolidated Financial Results for the Fiscal Year Ended June 30, 2025

[Japanese GAAP]

August 14, 2025

Company name: HIRAYAMA HOLDINGS Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 7781

URL: <https://www.hirayamastaff.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: September 26, 2025

Scheduled date of payment of dividend: September 29, 2025

Scheduled date of filing of Annual Securities Report: September 25, 2025

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: Yes (for securities analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2025 (July 1, 2024 to June 30, 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	%
Fiscal year ended Jun. 30, 2025	36,220	2.6	1,270	13.5	1,300	11.5	858	13.3
Fiscal year ended Jun. 30, 2024	35,292	11.4	1,119	25.3	1,166	23.0	757	37.9

Note: Comprehensive income (millions of yen) Fiscal year ended Jun. 30, 2025: 863 (up 13.6%)

Fiscal year ended Jun. 30, 2024: 760 (up 39.3%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Jun. 30, 2025	112.36	111.59	18.1	10.5	3.5
Fiscal year ended Jun. 30, 2024	102.32	98.86	17.9	10.4	3.2

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Jun. 30, 2025: -

Fiscal year ended Jun. 30, 2024: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2025	12,358	5,006	40.5	652.98
As of Jun. 30, 2024	12,294	4,466	36.3	591.31

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2025: 4,999

As of Jun. 30, 2024: 4,462

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Jun. 30, 2025	989	(95)	(764)	6,053
Fiscal year ended Jun. 30, 2024	1,003	70	534	5,915

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividends on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Jun. 30, 2024	-	12.00	-	30.00	42.00	314	41.0	7.4
Fiscal year ended Jun. 30, 2025	-	16.00	-	34.00	50.00	382	44.5	8.0
Fiscal year ending Jun. 30, 2026 (forecasts)	-	16.00	-	35.00	51.00		44.2	

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2026 (July 1, 2025 to June 30, 2026)

(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
First half	-	-	-	-	-	-	-	-	-
Full year	37,770	4.3	1,341	5.6	1,349	3.7	883	2.9	115.33

* Notes

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

(2) 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

(3) Number of shares outstanding (common shares)

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

As of Jun. 30, 2025:	8,149,200 shares	As of Jun. 30, 2024:	8,040,400 shares
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2) Number of treasury shares as of the end of the period

As of Jun. 30, 2025:	492,773 shares	As of Jun. 30, 2024:	492,773 shares
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3) Average number of outstanding shares during the period

Fiscal year ended Jun. 30, 2025:	7,637,356 shares	Fiscal year ended Jun. 30, 2024:	7,399,473 shares
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* The current financial results are not subject to the audit by certified public accountants or auditing firms.

* 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. Overview of Results of Operations, (4) Outlook” of the attachments regarding preconditions or other related matters for the forecasts.

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended in June 2025, according to the Bank of Japan Tankan released on July 1, 2025, the business sentiment (DI: the difference between the percentages of companies that described conditions as favorable or unfavorable) of large manufacturing companies improved slightly for the first time in two quarters, from the March survey of plus 12 to plus 13. Uncertainty created by tariffs of the Trump administration had a negative effect on sentiment. Overall, sentiment improved mainly because of strong earnings as companies raised prices to reflect higher expenses. The DI for large companies in the nonmanufacturing category was down slightly from the previous survey, declining from plus 35 to plus 34. This was the first decline in two quarters. The retail sector worsened by 3 points to plus 18 due in part to weakness in some business sectors affected by the smaller number of foreign tourists in Japan caused by the yen's appreciation.

Unemployment in Japan was 2.5% in May 2025 and the seasonally adjusted May jobs-to-applicants ratio was 1.24. Although there is still a labor shortage in Japan, an increasing number of people are looking for work to supplement their income in response to Japan's prolonged inflation.

During the fiscal year, sales and earnings 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 2.6% year-on-year to 36,220 million yen and operating profit increased 13.5% to 1,270 million yen. Ordinary profit increased 11.5% to 1,300 million yen, which includes foreign exchange gains of 29 million yen. Profit attributable to owners of parent increased 13.3% to 858 million yen after income taxes of 432 million yen.

Business segment performance was as follows.

(In-sourcing & temp staffing services)

Sales increased due to a large volume of in-sourcing and temp staffing orders from several customers in the medical equipment and electronic device sectors. Demand continued to be very strong in the logistics, passenger transport, 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, an increase in earnings at all manufacturing outsourcing locations due to Genba Kaizen activities, 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 fiscal year, 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 fiscal year increased 3.9% year-on-year to 29,386 million yen and segment profit increased 14.2% to 1,849 million yen.

(Engineer placement services)

Demand for engineers was supported by continuing 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, manufacturing equipment, and industrial technology operations. Demand remains very strong for people needed for the development of aircraft and systems in the defense industry, chiefly for embedded software and electrical engineers. The strong demand for these engineers is expected to expand to cover the entire aircraft manufacturing sector.

In the IT sector associated with the internet, there is a chronic shortage of engineers. However, there is a surplus of people with no experience and young IT engineers with the potential to fill these positions. As a result, operations in this sector require flexibility to reflect the current business climate.

In the manufacturing sector, there is a widening gap in the automobile industry between manufacturers that are performing well and those facing challenges. Due to this situation, the accurate monitoring of trends in the automobile industry demands more than ever a close look at the performance of individual companies rather than the entire industry. However, from an overall rather than industry-specific perspective, the manufacturing sector is still unable to hire a sufficient number of engineers. To help meet the demand for these people, the Hirayama Group is carefully selecting target customers for programs that give engineering skills and experience in stages to young people with little or no experience. Using this process raises the market value of our people and allows us to receive higher temporary placement rates, which contributes to higher earnings. Furthermore, although the impact of U.S. tariffs is currently limited, this business will need to provide customers with staffing proposals with flexibility and continuity while watching for any signs of workforce reductions caused by these tariffs.

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 is intense. To add engineers, the Hirayama Group is upgrading its ability to hire people by strengthening recruiting capabilities, using media advertisements, and adding new channels for hiring people. In addition, we are further upgrading internal training programs to handle the increasing number of young people we hire who have prior work experience but little or no engineering skills. We provide many forms of support to give these people technical skills that can boost their market value. Furthermore, to raise the utilization rate of our temporary staffing workforce, we are focusing on quickly finding jobs for people waiting for an assignment. We are also using many activities to recruit skilled engineers in other countries as the shortage of engineers in a broad range of fields continues in Japan.

Segment sales in the fiscal year increased 5.4% year-on-year to 3,099 million yen and segment profit decreased 19.8% to 100 million yen, mainly due to the time needed to place young IT engineers in the temporary staffing assignments where they are currently working.

(Overseas operations)

In Thailand, the primary location of operations outside Japan, the manufacturing production index decreased 0.2% from one year earlier in the second quarter of 2024, decreased 1.1% in the third quarter, decreased 1.8% in the fourth quarter, and decreased 1.6% in the first quarter of 2025, and has continued to weaken. In the automobile industry, which is the main source of orders, the manufacturing production index decreased 16.3% from one year earlier in the second quarter of 2024, decreased 21.0% in the third quarter, decreased 25.3% in the fourth quarter, and decreased 15.2% in the first quarter of 2025. Due to these declines, the number of Hirayama Group temporary staffing personnel on assignments in Thailand was 2,134 in March 2025, down 19.4% 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 16.4% year-on-year to 2,408 million yen and segment profit decreased 27.2% to 59 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 fiscal year that ended in June 2025 are for overseas operations in the period from April 2024 to March 2025.

(Others)

During the fiscal year, there was an increase in orders for the Genba Kaizen consulting business in Japan and other countries and training programs for overseas companies and human resource education institutions. A larger number of orders for assisting with system upgrades for the digital transformation and with the start of operations at new factories also contributed to the performance of this segment.

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 10.6% year-on-year to 1,325 million yen and segment profit increased 23.6% to 370 million yen.

(2) Financial Position

Total assets increased 64 million yen from the end of the previous fiscal year to 12,358 million yen at the end of the current fiscal year.

Current assets decreased 104 million yen to 10,579 million yen. This was mainly due to a decrease in other current assets of 185 million yen, which was partially offset by increases in cash and deposits of 113 million yen and notes and accounts receivable-trade of 31 million yen.

Non-current assets increased 168 million yen to 1,778 million yen. This was mainly attributable to increases in property, plant and equipment of 82 million yen, intangible assets of 12 million yen and investments and other assets of 73 million yen.

Total liabilities decreased 476 million yen to 7,351 million yen.

Current liabilities decreased 311 million yen to 4,689 million yen. This was mainly attributable to increases in income taxes payable of 161 million yen and accrued consumption taxes of 25 million yen. These increases were partially offset by decreases in accounts payable-other of 485 million yen and short-term borrowings of 30 million yen.

Non-current liabilities decreased 164 million yen to 2,662 million yen. This was mainly due to a decrease in long-term borrowings of 382 million yen, which was partially offset by an increase in retirement benefit liability of 153 million yen.

Net assets increased 540 million yen to 5,006 million yen. The main factors include increases in share capital of 12 million yen and capital surplus of 11 million yen mainly due to issuance of shares resulting from exercise of share acquisition rights, booking of profit attributable to owners of parent of 858 million yen, which was partially offset by dividends paid of 348 million yen.

(3) Cash Flows

Cash and cash equivalents (hereinafter referred to as “net cash”) increased 138 million yen from the end of the previous fiscal year to 6,053 million yen at the end of the current fiscal year.

Net cash provided by operating activities was 989 million yen, compared with net cash provided of 1,003 million yen one year earlier. Positive factors include profit before income taxes of 1,293 million yen and an increase in retirement benefit liability of 153 million yen, while there were negative factors including a 491 million yen decrease in accounts payable-other and income taxes paid of 258 million yen.

Net cash used in investing activities was 95 million yen, compared with net cash provided of 70 million yen one year earlier. Positive factors include proceeds from refund of leasehold and guarantee deposits of 45 million yen and a net increase in time deposits of 25 million yen, while there were negative factors including purchase of property, plant and equipment of 65 million yen, purchase of intangible assets of 31 million yen and payments of leasehold and guarantee deposits of 57 million yen.

Net cash used in financing activities amounted to 764 million yen, compared with net cash provided of 534 million yen one year earlier. Positive factors include proceeds from short-term borrowings of 50 million yen and proceeds from issuance of shares resulting from exercise of share acquisition rights of 25 million yen, while there were negative factors including repayments of long-term borrowings of 398 million yen and dividends paid of 348 million yen.

Reference: Trends in cash flow indicators

	FY6/21	FY6/22	FY6/23	FY6/24	FY6/25
Equity ratio (%)	39.0	41.1	39.4	36.3	40.5
Market value-based equity ratio (%)	58.9	59.7	66.1	62.2	64.1
Interest-bearing debt to cash flow ratio (years)	0.7	0.9	1.5	1.6	1.3
Interest coverage ratio (times)	104.9	83.5	122.4	249.3	61.9

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

Notes: 1. All the indicators are calculated using financial reporting figures on a consolidated basis.

2. Cash flows are calculated using the figures for operating cash flows in the consolidated statement of cash flows.

3. Interest-bearing debt includes all debts on the consolidated balance sheet that incur interest.

(4) Outlook

In the outlook for the global economy revised on July 29, 2025 by the International Monetary Fund (IMF), the forecast for 2025 economic growth in Japan was increased by 0.1 points from the April forecast to 0.7% to reflect actual growth in the first quarter. The forecast for growth of the global economy was raised by 0.2 points from the April forecast to 3.0%. In the July Monthly Economic Report by the Japanese government, due to the tariff agreement with the United States, the assessment of the Japanese economy was revised to "recovering moderately, while the effects caused by U.S. trade policies and other factors are seen in some areas." In its "Asian Development Outlook July 2025" announced on July 23, 2025, the Asian Development Bank lowered the outlook for 2026 economic growth in Thailand by 1.3 points from the forecast announced in April to 1.6%. The main reasons are growing uncertainty on a global scale, the declining number of foreign tourists, and political instability in Thailand.

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 our performance will continue steady progress. 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 specialists 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 the above, we forecast net sales of 37,770 million yen (up 4.3% year-on-year), operating profit of 1,341 million yen (up 5.6% year-on-year), ordinary profit of 1,349 million yen (up 3.7% year-on-year), and profit attributable to owners of parent of 883 million yen (up 2.9% year-on-year) in the fiscal year ending in June 2026.

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

(5) Profit Allocation Policy and Dividend Payment Plan for the Current and Next Fiscal Years

The payment of dividends is one of the highest priorities of Hirayama Holdings in order to distribute earnings to shareholders. Based on the policy of continuing to pay a stable dividend while retaining earnings as needed for future business operations and strengthening current operations, the guideline is to maintain a dividend payout ratio of at least 40%. In addition, to distribute a substantial amount of earnings to shareholders, the guideline for all earnings distributions, including the repurchase of stock, while taking into account the Hirayama Group's results of operations, financial condition, stock price and other factors, is a maximum of 50% of earnings.

Total earnings distribution ratio =

$$(\text{Fiscal year dividends} + \text{Stock repurchased in the following fiscal year}) / \text{Fiscal year profit attributable to owners of parent}$$

For the fiscal year that ended in June 2025, Hirayama Holdings plans to pay a dividend per share of 34 yen.

In the fiscal year ending in June 2026, in accordance with this policy for shareholder distributions, Hirayama Holdings plans to pay a dividend and repurchase stock, based on results of operations and stock market conditions, that result in a total earnings distribution ratio of not more than 50%.

2. Basic Approach to the Selection of Accounting Standards

The Hirayama Group will take suitable actions with regard to timing of application of International Financial Reporting Standards (IFRS) by taking into account associated factors.

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

	(Thousands of yen)	
	FY6/24 (As of Jun. 30, 2024)	FY6/25 (As of Jun. 30, 2025)
Assets		
Current assets		
Cash and deposits	5,949,094	6,062,261
Notes and accounts receivable-trade	3,896,926	3,928,662
Income taxes refund receivable	212,981	145,746
Other	636,717	451,478
Allowance for doubtful accounts	(11,201)	(8,175)
Total current assets	10,684,518	10,579,973
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	204,632	217,806
Land	110,125	110,125
Other, net	145,053	214,596
Total property, plant and equipment	459,812	542,528
Intangible assets	59,994	72,576
Investments and other assets		
Investment securities	145,710	144,859
Deferred tax assets	614,462	679,446
Other	329,745	338,890
Total investments and other assets	1,089,917	1,163,196
Total non-current assets	1,609,724	1,778,301
Total assets	12,294,242	12,358,275
Liabilities		
Current liabilities		
Short-term borrowings	80,000	50,000
Current portion of long-term borrowings	398,200	382,000
Accounts payable-other	2,731,283	2,246,119
Income taxes payable	160,924	321,982
Accrued consumption taxes	613,120	638,137
Provision for bonuses	188,845	207,091
Deposits received	642,438	637,639
Other	185,960	206,292
Total current liabilities	5,000,773	4,689,263
Non-current liabilities		
Long-term borrowings	1,187,000	805,000
Retirement benefit liability	1,247,967	1,401,704
Provision for retirement benefits for directors (and other officers)	311,435	315,605
Other	80,837	139,982
Total non-current liabilities	2,827,240	2,662,292
Total liabilities	7,828,013	7,351,555

	(Thousands of yen)	
	FY6/24	FY6/25
	(As of Jun. 30, 2024)	(As of Jun. 30, 2025)
Net assets		
Shareholders' equity		
Share capital	558,186	570,807
Capital surplus	477,673	489,539
Retained earnings	3,680,151	4,189,376
Treasury shares	(250,272)	(250,272)
Total shareholders' equity	4,465,739	4,999,450
Accumulated other comprehensive income		
Foreign currency translation adjustment	(2,769)	42
Total accumulated other comprehensive income	(2,769)	42
Share acquisition rights	76	43
Non-controlling interests	3,181	7,183
Total net assets	4,466,228	5,006,720
Total liabilities and net assets	12,294,242	12,358,275

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

(Thousands of yen)

	FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)	FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)
Net sales	35,292,145	36,220,268
Cost of sales	29,325,894	29,646,064
Gross profit	5,966,251	6,574,204
Selling, general and administrative expenses	4,847,229	5,303,743
Operating profit	1,119,021	1,270,461
Non-operating income		
Foreign exchange gains	25,585	29,191
Interest income	688	5,011
Other	26,759	15,156
Total non-operating income	53,033	49,358
Non-operating expenses		
Interest expenses	4,902	15,794
Other	762	3,709
Total non-operating expenses	5,664	19,504
Ordinary profit	1,166,389	1,300,315
Extraordinary income		
Gain on sale of non-current assets	46	698
Gain on bargain purchase	13,718	-
Gain on transfer from business divestitures	36,256	-
Other	-	33
Total extraordinary income	50,021	732
Extraordinary losses		
Loss on retirement of non-current assets	1,160	2,194
Loss on valuation of investment securities	23,144	2,638
Loss on valuation of investments in capital of subsidiaries and associates	-	2,664
Loss on liquidation of subsidiaries and associates	2,486	-
Company-sponsored funeral	8,029	-
Total extraordinary losses	34,821	7,497
Profit before income taxes	1,181,590	1,293,550
Income taxes-current	427,363	495,868
Income taxes-deferred	(5,093)	(63,454)
Total income taxes	422,270	432,414
Profit	759,319	861,135
Profit attributable to non-controlling interests	2,207	2,978
Profit attributable to owners of parent	757,112	858,156

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY6/24	FY6/25
	(Jul. 1, 2023 – Jun. 30, 2024)	(Jul. 1, 2024 – Jun. 30, 2025)
Profit	759,319	861,135
Other comprehensive income		
Foreign currency translation adjustment	878	2,829
Total other comprehensive income	878	2,829
Comprehensive income	760,198	863,964
Comprehensive income attributable to:		
Owners of parent	757,976	860,968
Non-controlling interests	2,221	2,996

(3) Consolidated Statement of Changes in Equity

FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	534,205	453,776	3,197,128	(195,168)	3,989,941
Changes during period					
Issuance of new shares	23,981	23,981	-	-	47,962
Dividends of surplus	-	-	(274,089)	-	(274,089)
Profit attributable to owners of parent	-	-	757,112	-	757,112
Purchase of treasury shares	-	-	-	(55,103)	(55,103)
Change in ownership interest of parent due to transactions with non-controlling interests	-	(83)	-	-	(83)
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	23,981	23,897	483,022	(55,103)	475,797
Balance at end of period	558,186	477,673	3,680,151	(250,272)	4,465,739

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(3,633)	(3,633)	165	726	3,987,200
Changes during period					
Issuance of new shares	-	-	-	-	47,962
Dividends of surplus	-	-	-	-	(274,089)
Profit attributable to owners of parent	-	-	-	-	757,112
Purchase of treasury shares	-	-	-	-	(55,103)
Change in ownership interest of parent due to transactions with non-controlling interests	-	-	-	-	(83)
Net changes in items other than shareholders' equity	863	863	(88)	2,455	3,230
Total changes during period	863	863	(88)	2,455	479,028
Balance at end of period	(2,769)	(2,769)	76	3,181	4,466,228

FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	558,186	477,673	3,680,151	(250,272)	4,465,739
Changes during period					
Issuance of new shares	12,620	12,620	-	-	25,241
Dividends of surplus	-	-	(348,931)	-	(348,931)
Profit attributable to owners of parent	-	-	858,156	-	858,156
Change in ownership interest of parent due to transactions with non-controlling interests	-	(755)	-	-	(755)
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	12,620	11,865	509,225	-	533,711
Balance at end of period	570,807	489,539	4,189,376	(250,272)	4,999,450

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(2,769)	(2,769)	76	3,181	4,466,228
Changes during period					
Issuance of new shares	-	-	-	-	25,241
Dividends of surplus	-	-	-	-	(348,931)
Profit attributable to owners of parent	-	-	-	-	858,156
Change in ownership interest of parent due to transactions with non-controlling interests	-	-	-	-	(755)
Net changes in items other than shareholders' equity	2,811	2,811	(33)	4,002	6,779
Total changes during period	2,811	2,811	(33)	4,002	540,491
Balance at end of period	42	42	43	7,183	5,006,720

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY6/24	FY6/25
	(Jul. 1, 2023 – Jun. 30, 2024)	(Jul. 1, 2024 – Jun. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	1,181,590	1,293,550
Depreciation	64,379	80,667
Amortization of goodwill	9,809	530
Increase (decrease) in allowance for doubtful accounts	(572)	(3,025)
Interest and dividend income	(1,813)	(6,136)
Interest expenses	4,902	15,794
Foreign exchange losses (gains)	(25,585)	(29,191)
Loss (gain) on valuation of investment securities	23,144	2,638
Loss (gain) on valuation of investments in capital of subsidiaries and associates	-	2,664
Loss (gain) on sale of non-current assets	(46)	(698)
Loss on retirement of non-current assets	1,160	2,194
Decrease (increase) in trade receivables	(184,503)	(13,502)
Decrease (increase) in accounts receivable-other	18,347	122,128
Increase (decrease) in deposits received	431,721	(5,289)
Increase (decrease) in accounts payable-other	69,574	(491,628)
Increase (decrease) in provision for bonuses	(2,374)	18,245
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(2,340)	4,170
Increase (decrease) in retirement benefit liability	153,494	153,736
Increase (decrease) in accrued consumption taxes	(140,336)	23,064
Gain on bargain purchase	(13,718)	-
Gain on transfer from business divestitures	(36,256)	-
Other, net	(97,177)	87,763
Subtotal	1,453,400	1,257,678
Interest and dividends received	1,633	6,174
Interest paid	(4,025)	(15,967)
Income taxes paid	(447,637)	(258,769)
Net cash provided by (used in) operating activities	1,003,372	989,116
Cash flows from investing activities		
Net decrease (increase) in time deposits	-	25,000
Purchase of property, plant and equipment	(92,575)	(65,543)
Proceeds from sale of property, plant and equipment	258	-
Purchase of intangible assets	(27,891)	(31,965)
Proceeds from sale of investment securities	250	-
Purchase of investment securities	(136)	(751)
Proceeds from refund of leasehold and guarantee deposits	31,588	45,389
Payments of leasehold and guarantee deposits	(50,699)	(57,326)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	151,267	-
Proceeds from business divestitures	50,468	-
Other, net	7,611	(9,998)
Net cash provided by (used in) investing activities	70,141	(95,195)

	(Thousands of yen)	
	FY6/24	FY6/25
	(Jul. 1, 2023 – Jun. 30, 2024)	(Jul. 1, 2024 – Jun. 30, 2025)
Cash flows from financing activities		
Proceeds from short-term borrowings	80,000	50,000
Repayments of short-term borrowings	-	(80,000)
Proceeds from long-term borrowings	1,000,000	-
Repayments of long-term borrowings	(258,028)	(398,200)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	47,874	25,241
Purchase of treasury shares	(55,103)	-
Dividends paid	(273,796)	(348,733)
Other, net	(6,756)	(12,994)
Net cash provided by (used in) financing activities	534,189	(764,687)
Effect of exchange rate change on cash and cash equivalents	7,131	8,933
Net increase (decrease) in cash and cash equivalents	1,614,834	138,167
Cash and cash equivalents at beginning of period	4,300,259	5,915,094
Cash and cash equivalents at end of period	5,915,094	6,053,261

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Segment and Other Information**Segment Information**

1. Outline of reportable segments

The reportable segments of the Hirayama Group are the constituent units for which separate financial information is available and which are subject to periodic reviews by the Board of Directors to determine allocations of resources and to evaluate performance.

The primary activity of the Hirayama Group is the provision in Japan and overseas of a comprehensive lineup of staffing services, including temporary staffing, in-sourcing and other activities, for the manufacturing and the technology development operations of manufacturers. There are three reportable segments: In-sourcing & temp staffing services, Engineer placement services, and Overseas operations.

The activities of each segment are as follows.

In-sourcing & temp staffing services:	In-sourcing and temp staffing for the factories of manufacturers
Engineer placement services:	Temp staffing of engineers for specific tasks, such as design and development, and outsourced projects
Overseas operations:	Temp staffing and other businesses in other countries

2. Calculation method of the amounts of net sales, profit or loss, assets and other items by reportable segment

The accounting methods used for reportable operating segments are the same as those adopted for preparing the consolidated financial statements.

Profits for reportable segments are generally operating profit.

Inter-segment sales and transfers are based on prevailing market prices.

3. Information related to net sales, profit or loss, assets and other items by reportable segment

FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)

(Thousands of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the consolidated financial statements (Note 3)
	In-sourcing & temp staffing	Engineer placement	Overseas operations	Total				
Net sales								
Sales to external customers	28,273,178	2,939,469	2,881,205	34,093,853	1,198,292	35,292,145	-	35,292,145
Inter-segment sales and transfers	-	19,236	3,539	22,776	152,488	175,264	(175,264)	-
Total	28,273,178	2,958,706	2,884,745	34,116,629	1,350,780	35,467,410	(175,264)	35,292,145
Segment profit (loss)	1,619,080	125,486	81,390	1,825,957	299,912	2,125,870	(1,006,848)	1,119,021
Segment assets	3,539,672	431,639	478,188	4,449,499	568,869	5,018,368	7,275,873	12,294,242
Other items								
Depreciation	13,747	7,597	1,110	22,454	12,506	34,961	29,418	64,379
Amortization of goodwill	-	-	230	230	9,579	9,809	-	9,809
Increase in property, plant and equipment and intangible assets	54,965	3,796	46	58,807	10,662	69,469	57,993	127,462

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 1,006,848 thousand yen to segment profit (loss) includes inter-segment transaction elimination of 77,371 thousand yen and corporate expenses of minus 1,084,220 thousand yen that are not allocated to reportable segments. Corporate expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

The adjustment of 7,275,873 thousand yen to segment assets is for corporate assets including cash and deposits that are not allocated to reportable segments.

The adjustment of 29,418 thousand yen to depreciation is for corporate expenses that cannot be attributed to reportable segments.

3. Segment profit (loss) is adjusted with operating profit shown on the consolidated financial statements.

FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)

(Thousands of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the consolidated financial statements (Note 3)
	In-sourcing & temp staffing	Engineer placement	Overseas operations	Total				
Net sales								
Sales to external customers	29,386,234	3,099,576	2,408,744	34,894,554	1,325,713	36,220,268	-	36,220,268
Inter-segment sales and transfers	100	6,677	3,638	10,416	175,536	185,952	(185,952)	-
Total	29,386,334	3,106,253	2,412,383	34,904,970	1,501,250	36,406,221	(185,952)	36,220,268
Segment profit (loss)	1,849,338	100,578	59,258	2,009,174	370,762	2,379,937	(1,109,475)	1,270,461
Segment assets	3,631,868	481,230	418,431	4,531,530	448,656	4,980,187	7,378,088	12,358,275
Other items								
Depreciation	23,713	12,287	820	36,820	13,580	50,400	30,226	80,626
Amortization of goodwill	-	-	230	230	300	530	-	530
Increase in property, plant and equipment and intangible assets	88,285	35,957	185	124,428	49,689	174,117	5,285	179,403

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 1,109,475 thousand yen to segment profit (loss) includes inter-segment transaction elimination of 80,456 thousand yen and corporate expenses of minus 1,189,932 thousand yen that are not allocated to reportable segments. Corporate expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

The adjustment of 7,378,088 thousand yen to segment assets is for corporate assets including cash and deposits that are not allocated to reportable segments.

The adjustment of 30,226 thousand yen to depreciation is for corporate expenses that cannot be attributed to reportable segments.

3. Segment profit (loss) is adjusted with operating profit shown on the consolidated financial statements.

Related Information

FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)

1. Information about products and services

Omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales

(Thousands of yen)

Japan	Asia (excluding Japan)	Other	Total
32,325,816	2,908,064	58,264	35,292,145

(2) Property, plant and equipment

Omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information of specific major customer

(Thousands of yen)

Name	Sales	Related segments
Terumo Corporation	4,852,693	In-sourcing & temp staffing

FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)

1. Information about products and services

Omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales (Thousands of yen)

Japan	Asia (excluding Japan)	Other	Total
33,726,797	2,434,717	58,753	36,220,268

(2) Property, plant and equipment

Omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information of specific major customer

(Thousands of yen)

Name	Sales	Related segments
Terumo Corporation	4,974,616	In-sourcing & temp staffing

Information related to impairment loss of non-current assets by reportable segment

FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)

Not applicable.

FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)

Not applicable.

Information related to amortization of goodwill and unamortized balance by reportable segment

FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)

(Thousands of yen)

	In-sourcing & temp staffing	Engineer placement	Overseas operations	Other (Note)	Adjustment	Total
Amortization for the period	-	-	230	9,579	-	9,809
Balance at end of period	-	-	230	-	-	230

Note: "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.

FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)

(Thousands of yen)

	In-sourcing & temp staffing	Engineer placement	Overseas operations	Other (Note)	Adjustment	Total
Amortization for the period	-	-	230	300	-	530
Balance at end of period	-	-	-	1,200	-	1,200

Note: "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.

Information related to gain on bargain purchase by reportable segment

FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)

(Thousands of yen)

	In-sourcing & temp staffing	Engineer placement	Overseas operations	Other (Note 1)	Adjustment	Total
Gain on bargain purchase	13,718	-	-	-	-	13,718

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. As the acquisition cost was less than the net amount allocated to the assets acquired and liabilities assumed, the difference was recognized as a gain on bargain purchase.

FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)

Not applicable.

Per-share Information

(Yen)

	FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)	FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)
Net assets per share	591.31	652.98
Net income per share	102.32	112.36
Diluted net income per share	98.86	111.59

Note: The basis of calculating the net income per share and diluted net income per share is as follows:

(Thousands of yen, unless otherwise stated)

	FY6/24 (Jul. 1, 2023 – Jun. 30, 2024)	FY6/25 (Jul. 1, 2024 – Jun. 30, 2025)
(1) Net income per share		
Profit attributable to owners of parent	757,112	858,156
Amount not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	757,112	858,156
Average number of shares during the period (shares)	7,399,473	7,637,356
(2) Diluted net income per share		
Adjusted profit attributable to owners of parent	-	-
Increase in the number of common shares (shares)	259,294	52,983
[Share acquisition rights (shares)]	[259,294]	[52,983]
Summary of dilutive shares not included in the calculation of diluted net income per share since there was no dilutive effect	-	-

Material Subsequent Events

Not applicable.

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.