

**Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2026  
(Six Months Ended December 31, 2025)**

[Japanese GAAP]

February 16, 2026

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 filing of Semi-annual Report: February 16, 2026  
 Scheduled date of payment of dividend: March 4, 2026  
 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 Second Quarter of the Fiscal Year Ending June 30, 2026  
(July 1, 2025 to December 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	%
Six months ended Dec. 31, 2025	18,799	4.1	1,061	42.0	1,085	39.8	674	37.2
Six months ended Dec. 31, 2024	18,051	2.1	747	10.8	776	9.6	491	8.8

Note: Comprehensive income (millions of yen) Six months ended Dec. 31, 2025: 693 (up 39.8%)

Six months ended Dec. 31, 2024: 496 (up 9.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Dec. 31, 2025	88.00	87.92
Six months ended Dec. 31, 2024	64.49	63.78

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2025	13,086	5,445	41.5
As of Jun. 30, 2025	12,358	5,006	40.5

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2025: 5,423 As of Jun. 30, 2025: 4,999

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2025	-	16.00	-	34.00	50.00
Fiscal year ending Jun. 30, 2026	-	18.00	-	-	-
Fiscal year ending Jun. 30, 2026 (forecasts)	-	-	-	35.00	53.00

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. The Board of Directors of Hirayama Holdings approved a resolution today for a 2-for-1 common stock split effective July 1, 2026. The year-end and fiscal year dividend forecasts for the fiscal year ending June 30, 2026, are prior to this stock split and do not show the dividends after the split. For more information, please refer to the press release dated today titled "Notice of Stock Split."

**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
Full year	37,770	4.3	1,341	5.6	1,349	3.7	883	2.9	115.33

Notes: 1. Revisions to the most recently announced consolidated earnings forecast: None

2. The net income per share forecast for the fiscal year ending June 30, 2026, will not change due to the planned 2-for-1 stock split on July 1, 2026.

\* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1, FUNtoFUN Inc.

Note: Consolidated subsidiary FUNtoFUN Inc. was excluded from the scope of consolidation since this company was absorbed by the consolidated subsidiary HIRAYAMA Co., Ltd. and subsequently dissolved.

(2) Application of special accounting methods for presenting interim 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 Dec. 31, 2025:	8,156,400 shares	As of Jun. 30, 2025:	8,149,200 shares
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2) Number of treasury shares as of the end of the period

As of Dec. 31, 2025:	492,773 shares	As of Jun. 30, 2025:	492,773 shares
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3) Average number of outstanding shares during the period

Six months ended Dec. 31, 2025:	7,661,703 shares	Six months ended Dec. 31, 2024:	7,618,597 shares
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\* The current semi-annual financial results are not subject to review 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. Qualitative Information on Interim 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 Interim 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	5
2. Interim Consolidated Financial Statements and Notes	6
(1) Interim Consolidated Balance Sheet	6
(2) Interim Consolidated Statements of Income and Comprehensive Income	7
Interim Consolidated Statement of Income	7
Interim Consolidated Statement of Comprehensive Income	8
(3) Interim Consolidated Statement of Cash Flows	9
(4) Notes to Interim Consolidated Financial Statements	10
Going Concern Assumption	10
Significant Changes in Shareholders' Equity	10
Notes to Interim Consolidated Balance Sheet	10
Notes to Interim Consolidated Statement of Income	10
Notes to Interim Consolidated Statement of Cash Flows	10
Segment and Other Information	11

## 1. Qualitative Information on Interim Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first half of the current fiscal year (July 1 to December 31, 2025), according to the Bank of Japan Tankan released on December 15, 2025, the business sentiment (DI: the difference between the percentages of companies that described conditions as favorable or unfavorable) of large manufacturing companies improved for the third consecutive quarter, increasing one point from the September survey to plus 15, the highest level in four years. The main reasons for this improvement in business sentiment are a decline in uncertainty at large manufacturers about U.S. tariffs and growing demand for semiconductor devices.

In the large nonmanufacturer sector, the DI was unchanged from September at plus 34. In the large manufacturer category, companies are raising selling prices to offset personnel and other expenses. In the hospitality and food and beverage services sector, the DI decreased one point to plus 25 as companies face challenges due to the rising cost of materials and supplies, the labor shortage and the increasing desire of consumers to limit spending in response to inflation.

The seasonally adjusted unemployment in Japan was 2.6% in November 2025, the same as in October. The seasonally adjusted November jobs-to-applicants ratio was 1.18, unchanged from October. Many companies are holding down recruiting activities because of inflation, the use of labor-saving measures, the minimum wage hike and other reasons.

First half 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 and an improvement in production efficiency by using the Hirayama Group's Genba Kaizen expertise.

Net sales increased 4.1% year-on-year to 18,799 million yen and operating profit increased 42.0% to 1,061 million yen. Ordinary profit increased 39.8% to 1,085 million yen, which includes interest income of 5 million yen and foreign exchange gains of 17 million yen. Profit attributable to owners of parent increased 37.2% to 674 million yen after income taxes of 374 million yen.

Business segment performance was as follows.

#### 1) In-sourcing & temp staffing services

Sales increased mainly because of higher orders in the defense, medical equipment, electronic device, semiconductor and automobile (including rubber goods) sectors. Demand remained very strong in the logistics sector. As a result, there were additional orders for temporary staffing from current customers and many orders from new customers.

Earnings in this segment increased for several reasons. One is the approval by many customers of rate increases that began in April 2025. In addition, most customers accepted another rate revision to reflect the increase in Japan's minimum wage that began in October 2025, resulting in higher profitability. Segment earnings also benefited from Genba Kaizen activities at all manufacturing outsourcing locations and from the growth of production in the automobile sector, including rubber goods. 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. New business sites, a new training center, and the hiring of recruiting and training personnel also resulted in higher expenses.

New college graduates who were hired in 2025 are now making a contribution to the stability of manufacturing operations. Recruiting expenses increased because higher expenses for recruiting 2026 new graduates and 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 half, 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 as in the previous fiscal year. 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 current 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 half increased 4.8% year-on-year to 15,357 million yen and segment profit increased 24.9% to 1,256 million yen.

## 2) 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, particularly in the defense industry, chiefly for embedded software and electrical engineers. The strong demand for these people is becoming more widespread as it encompasses the entire aerospace industry including manufacturers of materials and many types of components.

In the IT sector associated with the internet, the chronic shortage of experienced engineers is continuing as the speed of progress involving the digital transformation and automation as well as the use of AI increases. However, there is an imbalance between supply and demand in this category caused by an excessive supply of people with no experience and young IT engineers. As a result, operations in this sector continue to require flexibility to reflect current market conditions.

In Japan's manufacturing sector, there is a big difference between companies that are performing well and companies performing poorly. Due to this situation, the accurate monitoring of trends requires more than ever a close look at the performance of individual companies rather than the entire industry. However, from an overall 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 and providing programs that give engineering skills and experience in stages to young people with little or no experience. Using these measures raises the market value of our people and allows us to receive higher temporary placement rates, which improves profitability.

Although there is demand for people with little or no experience and for engineers from other countries, the level of this demand is not significant. While monitoring changes in the market, this business will continue to offer flexible proposals to companies to supply people with the skills needed to meet the requirements of each company.

We are continuing to recruit a large number of people to build a base for medium to long-term growth. Manufacturers and other temporary staffing and placement companies are working harder on hiring new graduates and people with prior work experience. As a result, the competition for hiring engineers has become more 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.

While continuing to place emphasis on hiring people with prior work experience, recruiting activities also target people with little or no experience and engineers from other countries for flexibility to reflect changes in market conditions.

We are further upgrading training programs, especially for people who have little or no experience as engineers and for engineers from other countries. The goal is to maintain a team of engineers with advanced skills that match customers' needs and with even higher market value. These activities make it possible to increase the utilization rate of our temporary staffing team by quickly finding jobs for people waiting for an assignment.

Segment sales increased 0.8% year-on-year to 1,563 million yen and segment profit increased 12.3% to 64 million yen.

## 3) Overseas operations

In Thailand, the primary location of operations outside Japan, the manufacturing production index decreased 1.8% from one year earlier in the fourth quarter of 2024, decreased 1.6% in the first quarter of 2025, increased 1.4% in the second quarter and decreased 2.3% in the third quarter. The economy of Thailand is still sluggish because there was only a brief upturn in the second quarter as companies rushed to make products before the enactment of higher U.S. tariffs. In the automobile industry, which is one of the main sources of orders, the manufacturing production index decreased 25.3% from one year earlier in the fourth quarter of 2024, decreased 15.2% in the first quarter of 2025,

increased 7.9% in the in the second quarter, and decreased 4.3% in the third quarter. As a result, the number of Hirayama Group temporary staffing personnel on assignments in Thailand was 1,957 in September 2025, down 9.1% 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 0.9% year-on-year to 1,165 million yen and segment profit increased 63.0% to 29 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 half of the fiscal year ending in June 2026 are for overseas operations in the period from April to September 2025.

#### 4) Others

During the first half, there was an increase in orders for the Genba Kaizen consulting business in Japan and other countries, the start of operations at new factories, and training programs for overseas companies and human resource education institutions. Production orders from Heiwa Ironworks Co., Ltd. were down from the high level of the previous fiscal year. However, earnings increased because first half earnings benefited from the employment management support business for foreign nationals in Japan, which continued to make progress with placements of engineers and interns from other countries in jobs in Japan.

Segment sales increased 6.7% year-on-year to 713 million yen and segment profit increased 25.9% to 239 million yen.

## (2) Explanation of Financial Position

### 1) Analysis of Financial Position

Total assets increased 728 million yen from the end of the previous fiscal year to 13,086 million yen at the end of the second quarter of the current fiscal year.

Current assets increased 777 million yen to 11,357 million yen. This was mainly due to an increase in cash and deposits of 700 million yen and a decrease in notes and accounts receivable-trade of 9 million yen.

Non-current assets decreased 49 million yen to 1,728 million yen. This was mainly attributable to decreases in property, plant and equipment of 23 million yen, intangible assets of 10 million yen and investments and other assets of 15 million yen.

Total liabilities increased 289 million yen to 7,640 million yen.

Current liabilities increased 420 million yen to 5,110 million yen. This was mainly attributable to increases in deposits received of 347 million yen and accounts payable-other of 111 million yen. These increases were partially offset by decreases in short-term borrowings of 50 million yen and accrued consumption taxes of 17 million yen.

Non-current liabilities decreased 131 million yen to 2,530 million yen. This was mainly due to an increase in retirement benefit liability of 55 million yen, which was partially offset by a decrease in long-term borrowings of 182 million yen.

Net assets increased 438 million yen to 5,445 million yen. The main factors include profit attributable to owners of parent of 674 million yen in retained earnings, which was partially offset by dividends paid of 260 million yen.

### 2) Cash flows

Cash and cash equivalents (hereinafter referred to as “net cash”) increased 709 million yen from the end of the previous fiscal year to 6,762 million yen at the end of the first half of the current fiscal year.

The cash flow components during the first half of the current fiscal year and the main reasons for changes are as described below.

#### Cash flows from operating activities

Net cash provided by operating activities was 1,227 million yen, compared with net cash provided of 891 million yen one year earlier. Positive factors include profit before income taxes of 1,059 million yen, deposits received of 347 million yen and accounts payable-other of 107 million yen, while there were negative factors including income taxes paid of 338 million yen.

#### Cash flows from investing activities

Net cash used in investing activities was 15 million yen, compared with net cash used of 92 million yen one year earlier. Positive factors include proceeds from refund of leasehold and guarantee deposits of 61 million yen, while there were negative factors including payments of leasehold and guarantee deposits of 59 million yen, purchase of property, plant and equipment of 23 million yen and purchase of intangible assets of 1 million yen.

#### Cash flows from financing activities

Net cash used in financing activities amounted to 513 million yen, compared with net cash used of 464 million yen one year earlier. Negative factors include dividends paid of 260 million yen and repayments of long-term borrowings of 199 million yen.

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

In the outlook for the global economy revised on January 19, 2026 by the International Monetary Fund (IMF), the outlook for 2026 economic growth is 3.3%. This is 0.2 percentage points higher than the October 2025 forecast. Although negative effects of U.S. tariffs will continue, trade friction is expected to decrease as the U.S. holds negotiations with many countries. The rapid growth of investments involving artificial intelligence is also expected to contribute to economic growth.

The forecast for economic growth in Japan was increased by 0.1 percentage point from the previous forecast to 0.7% based on the outlook for the Takaichi administration to use a responsible and proactive fiscal policy to stimulate the economy. The U.S. economic growth forecast was raised by 0.3 percentage points to 2.4% due to the outlook for Fed interest rate cuts to support the economy. For Thailand, the Asian Development Bank's forecast for 2026 announced on December 10, 2025 is 2.0%, which is the same as the economic growth forecast announced in September.

The Hirayama Group expects steady progress during the remainder of this fiscal year. Orders in the medical equipment and rubber goods categories are strong and orders are increasing in the electronic device, semiconductor and defense categories that had been weak. In addition, 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. 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 this outlook, there are no revisions to the forecast that was announced on August 14, 2025 for the fiscal year ending in June 2026. An announcement will be made at an appropriate time if there is a need to revise this forecast.

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

## 2. Interim Consolidated Financial Statements and Notes

## (1) Interim Consolidated Balance Sheet

	(Thousands of yen)	
	FY6/25 (As of Jun. 30, 2025)	Second Quarter of FY6/26 (As of Dec. 31, 2025)
Assets		
Current assets		
Cash and deposits	6,062,261	6,762,816
Notes and accounts receivable-trade	3,928,662	3,919,394
Income taxes refund receivable	145,746	173,806
Other	451,478	507,497
Allowance for doubtful accounts	(8,175)	(6,056)
Total current assets	10,579,973	11,357,459
Non-current assets		
Property, plant and equipment	542,528	519,343
Intangible assets	72,576	61,831
Investments and other assets	1,163,196	1,147,688
Total non-current assets	1,778,301	1,728,862
Total assets	12,358,275	13,086,321
Liabilities		
Current liabilities		
Short-term borrowings	50,000	-
Current portion of long-term borrowings	382,000	365,000
Accounts payable-other	2,246,119	2,358,083
Income taxes payable	321,982	356,446
Provision for bonuses	207,091	229,655
Accrued consumption taxes	638,137	621,039
Deposits received	637,639	985,276
Other	206,292	194,704
Total current liabilities	4,689,263	5,110,205
Non-current liabilities		
Long-term borrowings	805,000	622,500
Retirement benefit liability	1,401,704	1,457,349
Provision for retirement benefits for directors (and other officers)	315,605	316,145
Other	139,982	134,435
Total non-current liabilities	2,662,292	2,530,429
Total liabilities	7,351,555	7,640,635
Net assets		
Shareholders' equity		
Share capital	570,807	571,914
Capital surplus	489,539	490,467
Retained earnings	4,189,376	4,603,255
Treasury shares	(250,272)	(250,272)
Total shareholders' equity	4,999,450	5,415,365
Accumulated other comprehensive income		
Foreign currency translation adjustment	42	8,264
Total accumulated other comprehensive income	42	8,264
Share acquisition rights	43	3,223
Non-controlling interests	7,183	18,832
Total net assets	5,006,720	5,445,686
Total liabilities and net assets	12,358,275	13,086,321

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

(Thousands of yen)

	First six months of FY6/25 (Jul. 1, 2024 – Dec. 31, 2024)	First six months of FY6/26 (Jul. 1, 2025 – Dec. 31, 2025)
Net sales	18,051,800	18,799,641
Cost of sales	14,763,829	15,035,061
Gross profit	3,287,971	3,764,580
Selling, general and administrative expenses	* 2,540,375	* 2,703,131
Operating profit	747,595	1,061,448
Non-operating income		
Interest income	1,442	5,901
Foreign exchange gains	28,082	17,466
Other	8,265	9,926
Total non-operating income	37,789	33,294
Non-operating expenses		
Interest expenses	7,587	8,469
Other	1,302	830
Total non-operating expenses	8,890	9,299
Ordinary profit	776,495	1,085,443
Extraordinary income		
Other	33	32
Total extraordinary income	33	32
Extraordinary losses		
Loss on retirement of non-current assets	574	444
Loss on valuation of investment securities	989	-
Loss on liquidation of business	-	25,171
Total extraordinary losses	1,563	25,615
Profit before income taxes	774,965	1,059,860
Income taxes-current	288,206	358,565
Income taxes-deferred	(5,733)	15,672
Total income taxes	282,473	374,238
Profit	492,492	685,622
Profit attributable to non-controlling interests	1,149	11,424
Profit attributable to owners of parent	491,342	674,197

**Interim Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	First six months of FY6/25 (Jul. 1, 2024 – Dec. 31, 2024)	First six months of FY6/26 (Jul. 1, 2025 – Dec. 31, 2025)
Profit	492,492	685,622
Other comprehensive income		
Foreign currency translation adjustment	3,891	8,229
Total other comprehensive income	3,891	8,229
Comprehensive income	496,383	693,851
Comprehensive income attributable to:		
Owners of parent	495,216	682,420
Non-controlling interests	1,167	11,431

**(3) Interim Consolidated Statement of Cash Flows**

	(Thousands of yen)	
	FY6/24	FY6/25
	(Jul. 1, 2024 – Dec. 31, 2024)	(Jul. 1, 2025 – Dec. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	774,965	1,059,860
Depreciation	36,968	45,688
Amortization of goodwill	140	125
Increase (decrease) in allowance for doubtful accounts	(86)	(2,119)
Increase (decrease) in provision for bonuses	25,942	22,465
Increase (decrease) in retirement benefit liability	55,744	55,644
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3,630	540
Interest and dividend income	(1,442)	(5,901)
Interest expenses	7,587	8,469
Foreign exchange losses (gains)	(28,082)	(17,466)
Loss on retirement of non-current assets	574	444
Loss on liquidation of business	-	25,171
Decrease (increase) in trade receivables	168,563	21,351
Decrease (increase) in accounts receivable-other	(19,126)	(2,761)
Increase (decrease) in accounts payable-other	(66,734)	107,768
Increase (decrease) in accrued consumption taxes	(38,710)	(18,665)
Increase (decrease) in deposits received	95,938	347,367
Other, net	2,421	(78,980)
Subtotal	1,018,293	1,569,001
Interest and dividends received	1,322	5,736
Interest paid	(7,536)	(8,220)
Income taxes paid	(120,403)	(338,858)
Net cash provided by (used in) operating activities	891,677	1,227,658
Cash flows from investing activities		
Net decrease (increase) in time deposits	(18,000)	9,000
Purchase of property, plant and equipment	(50,087)	(23,286)
Purchase of intangible assets	(15,209)	(1,780)
Proceeds from refund of leasehold and guarantee deposits	20,866	61,223
Payments of leasehold and guarantee deposits	(26,880)	(59,129)
Purchase of investment securities	-	(860)
Other, net	(3,072)	(1,008)
Net cash provided by (used in) investing activities	(92,383)	(15,840)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(30,000)	(50,000)
Repayments of long-term borrowings	(228,767)	(199,500)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	25,241	2,203
Dividends paid	(226,282)	(260,297)
Other, net	(5,083)	(5,638)
Net cash provided by (used in) financing activities	(464,891)	(513,232)
Effect of exchange rate change on cash and cash equivalents	10,296	10,968
Net increase (decrease) in cash and cash equivalents	344,697	709,554
Cash and cash equivalents at beginning of period	5,915,094	6,053,261
Cash and cash equivalents at end of period	* 6,259,792	* 6,762,816

**(4) Notes to Interim Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Notes to Interim 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)	
	FY6/25 (As of Jun. 30, 2025)	Second Quarter of FY6/26 (As of Dec. 31, 2025)
Current account overdraft	1,080,000	1,080,000
Credit used	50,000	-
Credit available	1,030,000	1,080,000

**Notes to Interim Consolidated Statement of Income**

\*Major items of selling, general and administrative expenses

	(Thousands of yen)	
	First six months of FY6/24 (Jul. 1, 2024 – Dec. 31, 2024)	First six months of FY6/25 (Jul. 1, 2025 – Dec. 31, 2025)
Salaries and bonuses	980,313	1,060,945
Provision for bonuses	33,864	42,526
Retirement benefit expenses	10,385	11,526
Provision of allowance for doubtful accounts	1,475	(1,744)

**Notes to Interim Consolidated Statement of Cash Flows**

\*The relationship between the balance of cash and cash equivalents at the end of the second quarter and the amount of items posted in the interim consolidated balance sheet is as follows.

	(Thousands of yen)	
	First six months of FY6/24 (Jul. 1, 2024 – Dec. 31, 2024)	First six months of FY6/25 (Jul. 1, 2025 – Dec. 31, 2025)
Cash and deposits	6,311,792	6,762,816
Time deposit with maturities over three months	(52,000)	-
Cash and cash equivalents	6,259,792	6,762,816

**Segment and Other Information****Segment Information**

I First six months of FY6/25 (Jul. 1, 2024 – Dec. 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 interim consolidated statement of income (Note 3)
	In-sourcing & temp staffing	Engineer placement	Overseas operations	Total				
Net sales								
Sales to external customers	14,656,364	1,551,235	1,175,335	17,382,935	668,864	18,051,800	-	18,051,800
Inter-segment sales and transfers	-	2,570	2,170	4,741	88,807	93,548	(93,548)	-
Total	14,656,364	1,553,806	1,177,506	17,387,677	757,671	18,145,349	(93,548)	18,051,800
Segment profit	1,006,593	57,552	18,285	1,082,432	190,314	1,272,746	(525,151)	747,595

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 525,151 thousand yen to segment profit includes inter-segment transaction elimination of 39,892 thousand yen and corporate expenses of minus 565,044 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 interim consolidated statement of income.

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

Not applicable.

II First six months of FY6/26 (Jul. 1, 2025 – Dec. 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 interim consolidated statement of income (Note 3)
	In-sourcing & temp staffing	Engineer placement	Overseas operations	Total				
Net sales								
Sales to external customers	15,357,616	1,563,564	1,165,052	18,086,233	713,407	18,799,641	-	18,799,641
Inter-segment sales and transfers	-	7,728	1,814	9,542	97,357	106,900	(106,900)	-
Total	15,357,616	1,571,293	1,166,867	18,095,776	810,765	18,906,542	(106,900)	18,799,641
Segment profit	1,256,831	64,609	29,796	1,351,238	239,548	1,590,786	(529,337)	1,061,448

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 529,337 thousand yen to segment profit includes inter-segment transaction elimination of 46,583 thousand yen and corporate expenses of minus 575,921 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 interim consolidated financial statements.

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

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.*