

[Translation]



August 14, 2025

To whom it may concern,

Company name: MEDLEY, INC.
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Notice Regarding Recording an Extraordinary Loss Due to Absorption-type Merger with Wholly Owned Subsidiaries

As disclosed in the "Notice Regarding Merger with Two Wholly Owned Subsidiaries and Recording an Extraordinary Loss (Loss on Extinguishment of Tie-in Shares)" dated February 14, 2025, MEDLEY, INC. ("the Company") conducted an absorption-type merger (the "Merger") on April 1 of the same year, with Offshore Inc. ("Offshore") and GUPPY's Inc. ("GUPPY's"), which were wholly-owned subsidiaries of the Company, as the absorbed companies. We hereby announce that, following this Merger, we recorded an extraordinary loss in the Company's non-consolidated financial statements for the six months ended June 30, 2025, as detailed below.

Particulars

1. Details of Extraordinary Loss

Following the absorption-type merger of Offshore and GUPPY's on the effective date of this Merger (April 1, 2025), we recorded a loss on extinguishment of tie-in shares of 783 million yen as an extraordinary loss in the Company's non-consolidated financial statements for the six months ended June 30, 2025.

2. Impact on Consolidated Business Results

This loss on extinguishment of tie-in shares will be eliminated in the consolidated financial statements, resulting in no impact on consolidated profit and loss.